THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

November 23, 1940

Hostilities Drive China's Trade Into Hands of Shanghai's Anglo-Saxon Firms

New Mayor Pledges Purge

Nanking Swings Anti-U.S.

"Phony" Peace Proposals

Famous U.S. Banker Warns Japan Present Course Must Lead To Disaster

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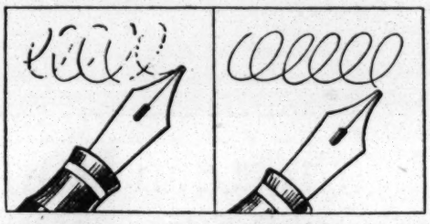

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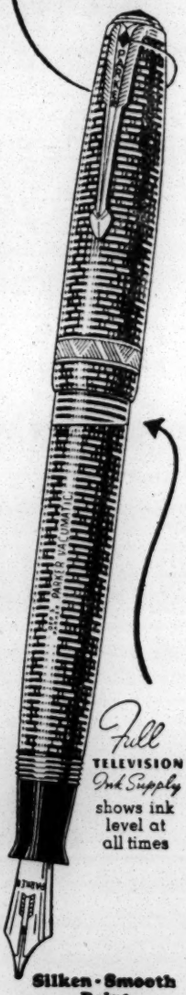

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

CONGRATULATIONS TO MR. ROOSEVELT

To the Editor:

We Chinese people here are very interested to hear that Mr. Roosevelt has succeeded in the Presidential election. Despite the fact that there was no precedent in the American history, the American people have re-elected him for the third term as American President. Indeed in the present difficult time there is only Mr. Roosevelt who is suitable for the American Presidency. In the past few years, with his wisdom and courage, he has saved America from economic danger, and we believe he will save America from the menace of the Totalitarians in the near future.

The American people have learned a lesson that France's collapse Is not for her material reasons but her spiritual reasons—that is to say, she has no excellent leaders. So it caused her collapse in 43 days. America now needs a wise and courageous leader like Mr. Roosevelt. It is very lucky for America that in the first European war she had Mr. Wilson to face the difficulties, while in the present European war she has Mr. Roosevelt to lead. We congratulate Mr. Roosevelt's for his being re-elected for the third term as American President and also the American people to have such a wise and courageous leader as Mr. Roosevelt to carry the heavy burden of Presidency at present. The third term as American President is the greatest thing in the American history. Mr. Roosevelt is the greatest statesman of America. We believe he will do the greatest things for America and for the whole world to help America in its difficulties, to protect the democratic nations, to re-establish a new world order and to preserve the modern civilizations of human beings. We hope Mr. Roosevelt will carry these problems on his shoulder and will realize their successful solution in a short time.

Mu Wen-fu

Chungking, Nov. 8, 1940.

JAPAN'S SORROW

To the Editor

The ink of the tripartite pact has not yet dried. Japan is contemplating the readjustment of her long-strained relations with America by naming the former Foreign Minister to be the Ambassador to America. It is reported, in addition, that Japan is also planning to send a good will mission to American headed by the Foreign Minister Yosuke Matsuoka. This decision of Japan sufficiently indicates that Japan is endeavoring to obtain America's understanding of her projected "New Order" in East Asia. In fact, America has come more and more to realize the real motive behind such a "New Order" to be created by Japan. However, American has reiterated her determination to frustrate such a development unless Japan abandons her aggressive policy and respects Western rights in East Asia.

After three years of warfare Japan is totally bogged down in China. Besides her internal unrest, she is facing external difficulties by the charged situation in the world. Therefore she is attempting to flatter both the Axis powers and America in the hope of removing barriers standing in the way of her aggressive war in China and to hasten the smooth construction of the "New Order" in East Asia as well as for an early settlement of the China incident.

P. H. A. W.

Shanghai, Nov. 15, 1940.

STUDENTS DUPED

To the Editor:

In view of the fact that certain persons have been spreading rumours of the opening of a branch of the Customs College in Hongkong, Dr. Sherman Chang, the Director-General of the Chinese National Customs Administration and concurrently the President of the Customs College, Shanghai, made direct inquiry of the Hongkong authorities and in due course an authoritative reply was received. The facsimile of the letter is hereto to show positive proof of the falsity of the rumor.

Several members of the 30th year class travelled to Hongkong at their own expense only to find that they had been duped by the rumor mongers. They immediately wrote back to Shanghai and told the rest of the students of the actual conditions, so that the matter has finally been cleared up. Dr. Chang is glad to see that the truth of the situation has finally come out and the good name of the College has not sufferred through the selfishness of a few individuals.

C. Y. HWANG,
Dean, Customs College.

12 Rue Alfred Magy,
Shanghai, Nov. 15, 1940

Note: The fascimile referred referred to in the above letter is a latter from the Hongkong Education Department, addressed to Mr. Sherman Chang. The letter states that Director of Education of the Hongkong Education Department, "has the honor to say that enquiries have failed to reveal the existence of any Customs College in the Colony."

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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BOUQUET, BRICKBAT

To the Editor:

There are three things I want to tell you. First, your courage in telling the truth and in denouncing the S.M.C. pivot boys is admirable. Secondly, the ommission of the book review section in recent issues of the Review is regrettable. Thirdly, the carelessness of your compositors and proof-readers, if any, is nothing short of damnable. I hope you will keep on with your courage and improve your newspaper.

WANG ZUNG-YEN

Shanghai, Nov. 18, 1940

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AMERICAN STOCK AND COMMODITY QUOTATIONS

November 20, 1940

STOCKS	
Amer. Locomotive	15⅝
Amer. Waterworks	7⅞
Anaconda Copper	26½
Bethlehem Steel	85¾
Chrysler	78¼
Elec. Bond & Sh.	4⅝
Gen. Motors	49⅝
Goodyear T. & R.	18
Gt. Nthrn. Rly., pfd.	27½
Lockheed Aircraft	29⅝
Mont. Ward	37
N. Y. Central	14½
Texas Corp	38½
U. S. Steel	68⅛
COMMODITIES	
New York Cotton, Dec.	10.05/07
New York Rubber, Dec.	20.45/45
New York Hides, Dec.	12.75/75
Chicago Wheat, Dec.	87⅛/87¼
Chicago Corn, Dec.	63⅛/63⅜
New York Sugar, No. 4, Dec.	0.73½B/74A

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CHEN KUNG-PO'S PROMISE TO "CLEAN-UP" EVIL PRACTICES IN SHANGHAI

CHEN Kung-po, who assumed office as Mayor of the Chinese Municipality this week, should be listed as the bravest man in China because he has promised to promote public welfare and eliminate evil practices. He also has promised to appoint honest and upright municipal officials who will not engage in "private business," and thus serve as models for the people. In addition he declared his intention of preparing a budget for the municipality and putting it into effect at the beginning of the new year.

We hasten to quote as a matter of record, Mayor Chen's exact words as circulated to the local newspapers by *Central Press*. In the first place, Mr. Chen stated that he hesitated a full month before accepting the post, "because I was afraid that my knowledge and ability are not sufficient for the post and I may fail to fulfill President Wang's expectations . . . . . Only a man of moral integrity, great tactfulness, wide experience and high dignity is qualified to be Mayor of Shanghai."

Referring to Shanghai, Mayor Wang described the city as the leading port of the country and not only the principal city of China—with a population of five millions—but also one of the largest and most important cities of the world. It serves as a great economic center for the two hundred millions of people in the provinces on the two banks of the Yangtsze River, he said.

With characteristic Chinese modesty, Mayor Chen said that his mind had been disturbed by the fear that he might not be able to live up to the expectations of his government and the hopes of the people. He said that the object of municipal administration was to make all the citizens live peacefully and pursue their business joyfully. The way to achieve this, he said, was comparatively simple—by promoting public welfare and eliminating evil practices. Conditions are admittedly abnormal and complex and numerous tasks are outstanding . . . . among them the development of industry and commerce.

Mr. Chen then made some remarks about the "area of the municipality," which may indicate an important phase of his program. He said that if the area of the municipality was too small the development of the municipality would be hampered and if too large "it would do no good either . . . . I therefore feel that the area of the present Shanghai Municipality requires further consideration."

However, most persons—foreigners as well as his fellow countrymen—are more concerned with Mayor Chen's program for a clean-up. In this connection he declared:

"The establishment of a 'clean' government has always been my avowed object. Shanghai is not only the principal city of China, but also one of the largest cities of the world. Every large city is cursed with a great number of evil practices. In order to promote public welfare and wipe out evil practices, a central force is absolutely necessary. If the staff, from the highest to the lowest, of the municipal government is honest and upright, welfare will be easily promoted; otherwise, evil practices can hardly be eradicated. I hope the municipal officials will not only be honest and upright; if they are engaged in private business in addition to their official duties, they should abandon it at once in order to make themselves a model to the people.

"Plans are first required for the readjustment and improvement of administration; and the budget is essential at the very time of drafting such plans. It is said that the present Shanghai Municipal Government has not yet any fixed budget, and financial stringency is perhaps the main cause of the delay in drawing up a budget. But we must note that without budget there can be no system. Therefore, I will first do my best to prepare a budget for the municipality, and hope it will be put into effect from next January.

"Shanghai is now a very serious problem of China. Although I am prepared to do my best for the people's welfare, yet if the people make no efforts to co-operate with the government little progress can be achieved. Therefore, I earnestly hope for the co-operation of both the Chinese and foreign residents in Shanghai in our efforts to attain peace and prosperity."

***

Since Nanking's intimate link-up with Shanghai vice and crime, particularly the gambling and opium evils, is generally known, it was of some significance that the Executive Yuan of the Nanking regime also referred to the necessity of establishing a "clean and honest system of government" in connection with the rehabilitation of the city.

In a previous article dealing with the battle staged within the Nanking camp over the Shanghai mayorality (Nov. 2) it was explained that Chen Kung-po, "who had

"Only Humans, Dear!"

Daily Herald, London

Child in dugout: "Mother, do animals act like this too?"

followed Wang Ching-wei (into the peppet camp) rather reluctantly," had a much better standing with the Chinese public than the other contender for the job, Chou Fu-hai, who was closely linked with Shanghai gangsterism. The fear was expressed that Chen Kung-po would be forced to compromise and accept Chou's appointees to the most important posts. Whether this forecast has been borne out in practice remains to be seen.

It will be remembered that Chen Kung-po followed Wang Ching-wei—in his desertion of the Central Government—so reluctantly that it was thought for a considerable time that he would not join the ranks of the traitors. However, he did follow Wang and was made head of the puppet administration which functions within Japanese occupied territory in Kwangtung province. He relinquished that job to accept the position of Mayor, in the meantime holding concurrently the chairmanship of the Legislative Yuan at Nanking. Chen was born in Kwangtung in 1890 and received his early education in law and philosophy at the Canton Law College and the National University of Peking. He then went to the United States and studied at Columbia University, from which institution he was graduated with the M. A. degree. He was early associated with the revolutionary movement at Canton and narrowly escaped death when his father was arrested by the Manchu officials. He edited publications for the Central Executive Committee of the Kuomintang and generally was affiliated with the left wing politicians in the Chinese revolutionary party. He participated in the northern advance from Canton and served as director of the Bureau of Political Affairs of the Headquarters. He was appointed to high positions in the nationalist administrations set up in Hupeh and Kiangsi in 1927, but, according to his biography, he resigned after the split of the Wuhan and Nanking Governments and again became editor of a revolutionary journal. He followed Wang Ching-wei to Peiping and joined the so-called "Northern Military Coalition Government" which functioned in Peiping for a few weeks in 1930 before it was overthrown by Gen. Chiang Kai-shek. Mr. Chen later returned to the fold of the Government at Nanking and was made Minister of Industry, 1932-1935.

Among the "evil practices," prevailing at Shanghai, which the new Mayor declared his intention of eradicating, are the gambling and opium-heroin evils and the participation of Nanking puppet officials in the operation of these institutions. For example, the China Club, one of the most notorious joints, located on Great Western Road, is owned and operated by the Shanghai headquarters of the Nanking police department. It is known as the "Nanking Gestapo," in imitation of the Nazi secret police, and is located at No. 76 Jessfield Road, in the center of Shanghai's "badlands." Another equally notorious joint is the "Six Nations Gambling-Opium Smoking Palace," located on Ave. Haig, adjoining the German Club, Church and Nazi Center. Another resort which "No. 76" opened on Gordon Road, known as the Asia Club, also devoted to gambling and opium-smoking, was closed by the police authorities of the International Settlement on Friday evening, Nov. 15.

The Wang Ching-wei puppet administration in Nanking, child of the Japanese Army, not only participates in the profits of these joints, but—through its agents at No. 76 Jessfield Road—actually operates some of them. Another place, known as Farrens, Ltd., operated by a German subject, is protected by the Japanese military authorities, hence the Wang group does not participate in its profits. But the situation in Nantao is even worse. Practically a dozen combination gambling-opium smoking joints are operated there, under the direct supervision of a "Bureau for the Control of Amusements," which is nothing more nor less than a Nanking tax office set up for the purpose of skimming the profits of crime and debauchery.

Aside from its protection and promotion of the gambling-narcotics evils, "No. 76" also engages in the kidnapping-for-profit industry, to such an extent that no Chinese citizen in this part of China is safe from abduction by professional gangsters, who stop at nothing, including the murder of victims and their wives and families. The criminals who operate from "No. 76" once held 140 persons for ransom at their headquarters and sub-branches scattered through Japanese-occupied territory. The number now held is said to be some 40, the others having paid up or subjected to "liquidation." Ransoms paid are said to range from $10,000 to $300,000. Wives of victims held for ransom, who visit "No. 76" in order to obtain the release of their husbands or sons, are shown several freshly-made graves in the corner of the compound, supposedly burial places of those who were unable to pay quickly enough. Three unburied coffins standing nearby are said to contain the bodies of a gangster and his wife and child. He allegedly "held-out" on the gang and was liquidated with his wife and little daughter.

Lamont Warns Japan Of Her "Disastrous Course"

Thomas W. Lamont, well known American banker, and member of the firm of J. P. Morgan and Company, warned Japan that her present course of military conquest —followed for the past ten years—was certain to lead to disaster. Mr. Lamont emphasized, however, his conviction that it was not yet too late for Japan to change her course and pursue a policy of peace.

There was significance in Mr. Lamont's statement because it was his first public pronouncement on the question of Japanese aggression. The firm of J. P. Morgan and Company, with which Mr. Lamont has long been associated, has loaned Japan large sums of money in the past fifteen years, most of which have been invested in electrical and heavy-industry enterprises. The full amount of Morgan loans and loans of associated banks and financial houses in New York is said to approximate US$350,000,000. Three years ago the Japanese Government, under military pressure, nationalized all of the country's electrical enterprises and issued Government bonds to the debenture holders in place of the bonds issued by the private companies. American financial interests strongly protested against the Japanese action, which they felt amounted to confiscation of properties in which they had heavy investments, but the protests were of no avail.

Mr. Lamont is also a director of United States Steel Corporation, which for many years has regarded Japan as its best foreign customer. Mr. Lamont's address was delivered before the Academy of Political Science on Nov. 14. He pointed out that Japan's war in China had absorbed vast sums of money and had created soaring taxes and a dwindling gold supply. "Before Japan's economy meets with disaster, she should turn back from the inevitable road to ruin," he declared. Continuing, he declared that Japan "must abandon once and for all the Nazi theory of racial superiority and the idea of a 'new order' in East Asia. Japan must realize that China is bound to become free and independent and has a great destiny before her. Japan must realize that China wants friendship and not enmity from her aggressive neighbor." In conclusion he advocated increased aid to the Chinese Government in its war of resistance to Japanese aggression. He also advocated aid to Britain, "because so long as Britain holds out, Japan does not dare to attempt much...increased material aid to Britain is the one road whereby Japan's threat to America can be rendered null and void."

James R. Young, for many years correspondent in Japan and the Far East, who was detained in a Japanese jail in Tokyo for 61 days for sending news to America which did not meet with the approval of Japanese warlords, declared in the course of an address in Washington on Nov. 10 that Japan was afraid of the United States and Soviet Russia and was no threat to America. He said that Japan's greatly publicized "new order" was characterized by the correspondents as a "new odor," smelling of bombings, bribery, carpet-baggers and narcotics. Mr. Young also pointed out that Japan is not united—with five military factions, two dormant political parties, a fairly democratic press, a dissatisfied public and businessmen fed up with keeping the war going. These comprise the complex kingdom of Japan, he said.

Nanking Adopts Anti-American Tone As Wang Ching-wei Moves Toward Axis

WANG Ching-wei, head of the Nanking Government, announced in the course of an interview with Japanese newspaper correspondents on Nov. 16 that as Japan and China "share the responsibility in establishing the New Order in East Asia, their foreign policies must, therefore, be identical."

The statement was made in reply to a question by the Japanese correspondents regarding the basic policies of the Wang Government toward the Italian-German-Japanese tripartite pact. Wang's reply was significant as it indicated his intention of linking China's destiny with the Axis powers. He stated, according to *Central Press*, official organ of the puppet regime, that since the Axis agreement "represents a concert of three reconstructive influences in the establishment of a 'new world order' . . . . it goes without saying that China and the tripartite countries must march abreast with one another." The head of the Nanking regime then declared emphatically, "We believe in the correctness of this policy and will carry it out accordingly."

The fact that Gen. Nobuyuki Abe, Japanese army officer, who spent six months drafting a secret Nanking-Japan military and economic alliance is expected to return to Nanking next week to get Wang's signature to the pact, was given added significance as a result of Wang's statement that he intends to join the Axis powers. It means that Wang not only intends to link-up China with the Japanese war machine, but also intends to link this country with the Axis war machine in Europe as well.

When Wang was asked whether the conclusion of the Japan-German-Italian alliance would be likely to cause Chungking to adhere more closely to the Anglo-American front, he replied in the affirmative, but expressed the view that Anglo-American assistance would not be effective "because the assistance of Britain and America is usually limited to empty promises which could hardly give strength to the Chungking regime." He said that the traditional policy of America and Britain had always been to prolong the Sino-Japanese conflict "in order to exhaust the strength of both China and Japan, and also for the purpose of getting Japan more involved." He thought that the international situation had been "thoroughly clarified" by the conclusion of the Axis Agreement, hence it was only necessary to show the Chinese people the bright prospects in the areas 'where peace had been restored'." The reference to "areas where peace had been restored," apparently concerned Japanese-occupied territory.

In another interview—in his own personal organ, the *Central China Daily News*—Wang referred to the movement to create a new political structure in Japan, modeled on the totalitarian set-ups in Germany and Italy, and expressed the opinion that Japan would join in the European War shortly, even before she would be able to reorganize her domestic economy. He neglected, however, to state whether China, by allying herself with the Axis would also be dragged into the European struggle. He said that Japan was suffering from three major maladies: 1—suspension of operations by middle and small industries; 2—unemployment of laborers; 3—lack of trained workers in newly organized (war) industries. But while these obstacles were serious he didn't think Japan's fate had been "settled." He thought that a "mutual-assistance" pact between Japan and Russia along the lines of the mutual-assistance pact between Germany and Soviet Russia, would enable Japan to pursue her major objective despite the financial and industrial disorganization in the country. He also thought that the domestic obstacles in Japan would be regarded as "small troubles," just as soon as the route between the Mediterranean and the South Pacific was opened and Japan, Germany and Italy succeeded in linking up their military and naval forces. This also would enable them to "link-up" economically. Ignoring entirely, or possibly not being aware of recent developments in Greece, Wang stated that the "wavering of Turkey . . . . would shake the security of British oil fields in the Near East and this, in turn, would ham-string the British navy in the Mediterranean . . . . which wouldn't be able to do anything.

Imitating Hitler

Salt Lake Tribune

While the animosity aroused in the camp of the Nanking regime by the recent American loan to the Chinese Government, was quite understandable, it does not explain a seemingly deep-seated hatred of the United States which prevails in the ranks of the Japanese-protected government. Some attribute this hatred to Nazi influence exerted through propagandists in Nazi pay, who are attached to the Nanking government. Japanese army officers and advisers attached to all Nanking organs also have their share of responsibility for the anti-American articles appearing in the Wang Ching-wei newspapers and also in the Chinese-language papers published by the Japanese directly.

The recent American election provided special opportunity for jibes at American institutions and personages on the part of the Wang Ching-wei press, particularly Wang's personal organ, the *Central China Daily News*, which is published in the International Settlement, within a block-and-a-half of the American Consulate-General. For example, Wang's paper in the course of comment on the American election said that American policy in the Far East in recent years had been dominated by "high-sounding effusions and commercialism." Referring to the European war situation, the editorial said that the defeat of France had given America a "great opportunity to force Great Britain to surrender naval and air bases to the United States. Britain, facing the danger of destruction, was prepared to pay any price for American assistance," stated the Wang paper. The joint-defense arrangement between the U. S. and Canada, "had converted Canada into an American protectorate and all of this had combined to re-elect President Roosevelt."

Referring to the Far East, the Wang journal said that negotiations for joint defense of America and Australia and for the use of Singapore by the American and British fleets "had caused Roosevelt to realize he was taking measures to join the war." Referring to the United States as a "mad and fast horse," the paper said, however, that the country became quiet and cautious before the election and "used flowery language." But this couldn't change the fixed American policy toward the Far East. The conclusion of the Tripartite Pact also was exploited to assist in the re-election of Roosevelt, stated the paper. But now that Roosevelt had been elected, America would not use any more high-sounding words and would take definite action. American warships were being concentrated and American nationals were being evacuated. . . "The American Government is trying to create the impression to show the world that the United States is preparing in earnest for war, and at the same time to show the Americans that the 'brave and brilliant' Roosevelt is taking definite actions to meet world developments . . . . America will march slowly and cautiously forward on the road to war in the Far East. While Japan's New Order is aimed to preserve peace in the Orient, it seems that American policy cannot be changed except by force . . . . It is hoped that American policy can be changed but this is rather too idealistic". . . If there is any change in American policy it will be but a change from marching boldly and quickly to treading slowly and cautiously—toward the goal of war."

A few days prior to the election the Wang Ching-wei paper said it wouldn't make any difference whether Roosevelt or Willkie won, "because American policy wasn't made in the White House, but by the imperialistic nature of the United States in the 20th century. Willkie charged Roosevelt with leading America to war, but it isn't Roosevelt who is leading America to war, it's the American nation's intense desire for aggression. Willkie's claim he would keep America out of war was only a campaign strategy, because Willkie couldn't stop America from being involved in war as Chamberlain and other British officials had failed to stop the outbreak between Britain and Germany last year. . . . The 'blood is thicker than water' slogan also is not sufficient reason for the U. S. to help Britain. America must support Britain not to prevent the collapse of Britain, but on account of America's fear that Britain, like France, may collapse too soon. The United States must support Britain so that her strength can match that of the Axis powers. This will make Britain depend all the more on America . . . . Perhaps Roosevelt, or Willkie, will plan the organization of an Anglo-American Federation to be carried out by Churchill . . . . leading to the transfer of world domination by Britain to America by this procedure."

The above, although published in the Wang Ching-wei paper, had all the earmarks of Nazi propaganda and might have been written by "Lord Hawhaw," who frequently broadcasts similar sentiments.

Another Nanking organ, referring to the destroyer-naval-base deal, said that the United States, "having obtained a foothold in all the British colonies in the Western Hemisphere, is now casting covetous eyes on the Dominion of Canada . . . . it is not impossible that such a contingency (annexation) may come about, especially in view of England's present helpless position . . . the mantle of British imperialism has fallen on Uncle Sam's shoulders and no amount of American hypocracy

Japanese cartoon published in an anti-American paper at Nanking was headed, "Quack Doctors."

can hide the fact . . . . but any further moves in the Pacific will be met by the stern opposition of Japan, who is determined to halt any further infiltration of European or American influence in East Asia."

The *Central China Daily News* on another occasion said that the British Empire in the Far East "has been dismembered, and, curiously enough, dismembered by the United States, whom Britain regards as her most reliable friend and most powerful ally. In the same way as she dismembered the British Empire in the Western Hemisphere, the United States is beginning to dismember the British possession in the South Pacific . . . . Negotiations for the American use of the naval base at Singapore are proceeding half-overtly and half-covertly . . . . The British Empire is like an injured lion fighting single-handedly against her enemy, while at the same time expecting another lion to help her. But the other lion —the United States—is preparing to succeed to the throne and comforts Britain by saying, 'Friend, fight on to protect yourself, but let me protect your possessions' . . . ."

Space is not available for an extended survey of anti-American propaganda which is now being circulated in China by the propaganda organs of the Japanese puppet government in Nanking. All that can be done in a brief article is to indicate various phases and trends. Often the Nanking propagandists have adopted a threatening attitude toward the United States in their vernacular newspapers. For example on Oct. 6 the Wang organ declared that "America has become the cause of China's disasters." This referred to American help extended to the Government of Gen. Chiang Kai-shek. The editorial

said that a day will come "when the Chinese people will settle accounts with the United States . . . . The Chinese who love peace . . . . will oppose strongly any action which America may take to prepare herself for war in the Far East by utilizing and sacrificing the Chinese people to prolong the Sino-Japanese war so as to exhause Japanese military power."

As indicated in the foregoing, much of the anti-American propaganda spread through the Wang press—English as well as Chinese—has been designed with the object of creating the impression among the Chinese people that the United States is not sincere in its world policies, but is double-crossing Great Britain and other powers associated with her, particularly those of Latin America. There was a glaring example of this last September when one of the Nanking organs said that "the time for the United States to participate in the war will come after complete transfer to her of British dominance over the world. Is Britain willing to transfer all her influence as a world-dominating power to the United States?"

Americans particularly will be interested in this comment by the Shanghai spokesman of the Nanking puppet:

"Sentimentally, the United States is sympathetic to Britain. Except by supplying arms and ammunition, however, the United States cannot render any substantial assistance to Britain, because politically the United States is quick in words, but slow in action, its political organization is of such nature as to make swift action impossible. Furthermore, America's military forces are too far intoxicated with the American dollar. The Americans are businessmen. Although they want to help Britain, they demand cash payment. Furthermore the American politicians are desirous of superceding Britain as the dominating power of the world."

Further evidence of Nazi inspiration behind much of Nanking's anti-American propaganda is provided in Nanking's oft-repeated charge that American policy is of "Jewish" origin and inspiration. The Chinese, who probably rank as the most tolerant of peoples, particularly toward other races who treat the Chinese decently, have suddenly become "anti-Jewish," if one would believe the propaganda of the Wang Press. An example of this was provided on Oct. 4 last when the German *Transocean* service circulated a report under a Nanking dateline, alleging that a "Chinese League Against U. S. Aggression," had been founded in Nanking under the leadership of Tang Leang-li, who is head of the Wang Ching-wei department of international publicity. The report stated that Tang, who was born in the Netherlands Indies, hence is of Dutch (or German) nationality, and who was educated in England and Germany and took a special course in Nazi propaganda methods in Germany five years ago, "had set himself to the task of combatting U. S. discrimination against Asiatics, especially Chinese. Tang's League, soon after its organization, issued a declaration which was published in the Nanking papers charged that "Jewish Americanism was dominating the United States, hence the attention of the Chinese people was called to the absurdity of American economic and political penetration of China under the slogan of friendship and Christianity. The Nazi report from Nanking claimed that several prominent members of the Wang regime, including two Yuan presidents, were supporters of Tang's anti-American league and that a special effort was being made to enroll students and labor unions for the league's aims. It was planned to stage mass-meetings and demonstrations to "enlighten" the Chinese people about American aggression toward China. Concluding the *Transocean* report stated that Tang's league was seeking "close contact" with foreign countries "which are also suffering under American aggression, thus contributing its share toward the establishment of the New Order in the Far East."

Spain Attempts To Apply Totalitarian Throttle To Press; Writers Menaced

Totalitarian invasion of private rights has continued in recent weeks through the extension of restrictions against the foreign press and foreign correspondents in Japan, Russia, Germany and Spain.

Outstanding examples in Japan, of course, were the imprisonment for three months of Jimmy Young, ace International News Service reporter, on a flimsy charge, and the doping, beating up and mysterious death of James Noble Cox, veteran Reuter's correspondent in the Far East. Japanese authorities said Cox was a "suicide," but there were many, including Cox's widow, it will be recalled, who believed otherwise.

The Japanese further extended their rigid control of what people may read in their own country by exterting pressure on the American-owned and published *Japan Advertiser* to the point at which its publishers were forced recently to turn it over to the government-controlled *Japan Times*.

Meanwhile, all dispatches by foreign newspapermen —representatives, at least, of the Democratic countries, are rigidly censored and correspondents have been warned against filing stories detrimental to the "sacred causes" of Japan's "New Order in Greater East Asia."

In Russia, government restriction has been extended to the extent that correspondents are able to send only official government communiques and bulletins. This made reporting in the Soviet Union practically impossible, so all of the big American newspapers, including the *New York Times*, closed their Russian bureaus and abandoned Moscow. Now only the *United Press*, the *Associated Press* and the *International News Service*, operating under rigid restriction, are telling the Americas about Russia.

In Germany recently the government officially warned American newspaper representatives against considering themselves as "observers in the service of the Axis." The warning followed many forecasts, speculations and hypotheses made by journalists regarding the conference held in France between Chancellor Hitler and M. Pierre Laval, French Vice-Premier and Foreign Minister.

The reports sent out by American newspapermen on this subject were said by Berlin officials to be tantamount to "a form of political espionage."

Germany, of course, long has maintained a notorious censorship of all newspaper material cabled or mailed abroad. And Germany, like its Axis partner Italy, has expelled many a member of a foreign newspaper staff for his uncomplimentary written remarks about these countries.

The latest move at restriction was in Spain, which rapidly is coming under the totalitarian sphere of influence, and where American newspaper correspondents were ordered to suspend their activities until further notice. The order affected all American correspondents in Spain, including representatives of the *United Press*, the *Associated Press*, the *International News Service*, the *New York Times* and the *Chicago Tribune*.

The suspension was based on the grounds that the United States Department of State had refused to permit the entry into the United States of a representative of the *Efe* news agency, official Spanish press company, or the establishment of an *Efe* agency in the United States.

After State Department officials had denied that the *Efe* correspondents had been refused visas to the United States or that *Efe* had been refused permission to operate in the United States, the Spanish Government rescinded its order against the American correspondents.

U.S. Pilots Pass Through Shanghai On Way To Reinforce Air Strength In Manila

One hundred and seventy-seven American aviators from Selfridge Field on their way to Manila to strengthen Philippine defenses, were aboard the evacuation liner Washington which arrived in Shanghai on Sunday.

The party consisted of pilot officers, sergeants and merchanics, and formed part of the 17th Air Pursuit Squadron which is taking up duty in the Philippines.

The machines they will fly are part of the shipment of some 100 planes scheduled to be sent to Sweden earlier this year, permission for delivery of which was revoked by the United States Government. The shipment States Government. The shipment consisted of pursuit planes of the latest type, which will be stationed at airdromes at the aviators destination.

Sino-Japanese Hostilities Drive Bulk Of Chinese Trade Into Hands Of Shanghai Anglo-Saxon Firms

BY JOHN AHLERS

BY the end of this month, the great majority of American women and children will have been evacuated from Shanghai and Japanese-occupied China. Practically all American business firms out here will have completed precautions and preparations for an emergency in which they might have to withdraw at short notice. Yet in these parts of China none of the important American firms as yet has closed down, or shows any intention of closing down. With the United States now enjoying in both directinos a leading share of China's foreign trade, American business is firmly decided to hold on as long as possible to it.

What are the present characteristics of that China trade which in U.S. Far Eastern policy looms more important than ever? What are its main strongholds, its chief commodities, and who are its most important foreign partners? China trade, during the past nine months, experienced a series of far-reaching changes in structure which do not yet seem to be fully realized by the general public. Its present main characteristics are unprecedented concentration of its bulk upon Shanghai, upon a few groups of leading commodities, and upon dealings with the Anglo-Saxon spheres of power.

Since the Burma Road was reopened for transit trade with Free China late last month, substantial volumes of foreign, chiefly American goods, resumed entering Free China by her south-west corner. Considerable quantities of Free China exports also left the country once more by the Yunnan-Burma route. Yet that route's commercial traffic is strictly limited by its present transport capacity of no more than 10,000 tons a month, which compares unsatisfactorily with over 50,000 tons of goods transited monthly to Free China via French Indo-China until the downfall of France. French Indo-China remains completely closed to Free China transit. At Hongkong, the British continue to abide by their summer arrangements with Japan not to permit transit to Free China in arms, nmuitions, motor vehicles, and mineral oil products. What remains of Free China's coastal trade is chiefly reduced to smuggling, and this smuggling trade in view of the intensified Japanese naval blockade turns over considerably smaller volumes of goods than half a year ago.

Despite the reopening of the Burma Road, trade south of Shanghai, including Japanese-occupied Canton, Amoy and Swatow, does not account for more than one-sixth of the whole of China's foreign commerce. The trade share of Japanese-occupied North China is not larger. Nippon-managed import control, and the persistent extension of export control in recent months in the north greatly reduced foreign commerce in the Gulf of Chihli ports and Tsingtao. At face value, North China trade figures as published by the Maritime Customs would seem to equal if not to surpass those of Shanghai. But the yen bloc fiction results in a threefold overvaluation of Northern trade values as compared with those of Shanghai. The true situation is that North and South China both share in China's imports with slightly less than 25 per cent each, and in the country's exports with a little more than 10 per cent each. All the remainder of China's commercial intercourse with foreign countries is accounted for by trade in Shanghai.

Shanghai's Position

Shanghai today enjoys an overwhelming lead in the export business. The value of local shipments in recent months more than once surpassed 80 per cent of all China's exports. North China continues to lead in exports of furs and skins (to U.S.A.), egg products (to Britain), and coal (to Japan). South China leads in exports of metal ores. But Shanghai leads in shipments of all other products from China, including metals, tea, wood oil, and most animal products. The backbone of Shanghai exports are textiles, which in recent months accounted for some 55 per cent of all exports from Shanghai, for 95 per cent of all Chinese textile sales abroad, and for 45 per cent of all the exports from this country. About half these textile exports consist of raw silk and products, while the other half is accounted for by cotton yarns and piece-goods.

In imports, Shanghai is also in the lead, and again in this field it is textiles which rank first. In recent months, Shanghai's share in the textile imports of all China was about 52 per cent. Textile fibers (raw cotton, raw wool) and textile goods (rayon, woollen, cotton piece-goods) accounted for approximately 40 per cent of all local imports. By far the most important local import commodity, despite the crisis of Shanghai's cotton industry, remains raw cotton, imports of which still surpass 17,000 tons a month and contribute no less than 30 per cent to the value of all Shanghai imports. Imports of raw and carded wool, and of a few woollen goods, formed another 6.5 per cent of Shanghai arrivals of foreign goods. Textile imports are negligible everywhere else in China. Coal, bituminous and anthracite, is another import article confined to Shanghai, where it accounts for 10 per cent of all imports.

Textiles and coal together are responsible for half of the value of Shanghai imports. Another third is accounted for by food, drink, and tobacco (17 per cent), and metals (16 per cent). Imports in the former line chiefly consist of wheat and wheat flour, and Virginia tobacco leaf.

War Emergency Reflected

The bulk of Shanghai metal imports is formed by American iron and steel, mainly for local metal manufacturing industries. Imports of paper and paperware contribute 6.5 per cent to the local total, while mineral oils, chemicals and dyes rank near the bottom of the pyramid with shares of below five per cent each.

This structure of Shanghai's imports reflects clearly the extraordinary war emergency, as in normal years of peace, Shanghai's present main imports—raw cotton, coal, wheat and tobacco—all were surplus products, of which this country itself supplied the bulk of the Shanghai demand.

North China imports aggregate less than half the value of those of Shanghai, and are different in structure. There, foodstuffs lead with a 30 per cent share in total imports, followed by metals, with a share of 20 per cent. North China's most important foreign trade port remains Tientsin, where two-thirds of the imports and three-fifths of the exports are concentrated. Most of the remainder of the trade is at Tsingtao, while Chinwangtao, Lungkow, Weihaiwei and Chefoo are of little consequence to foreign commerce.

Tientsin, earlier in the present Sino-Japanese war, repeatedly rivalled Shanghai in trade volume and value, and still is the second trade volume and value, and still is the second trade port in all China. But its trade now has fallen so far behind, that its recent commercial intercourse with foreign countries amounted to but one-

Shanghai's Foreign Trade For Month

According to the monthly returns issued by the Chinese Maritime Customs, covering the foreign trade of Shanghai, net Imports during October, 1940 totalled Gold Units 19,490,449 (G.U.=40-9/32 pence sterling for October). Net Exports were $135,444,-378. January-October figures were G.U.243,562,112 and $1,115,471,332, as against G.U.213,991,133 and $416,244,820 for 1939, states the *North China Daily News*.

Japanese Peace Proposal Rumors Believed Smoke-Screen For Southwards Drive, Axis Expansionist Movement

Reports from Tokyo that Japan was about to come to her senses and initiate direct peace negotiations with Chungking set the world by its ears last week, but the rumors might have been taken for what they were worth on their face value, which was slightly less than nil. The pitiful part about these rumors, which fantastically threatened Japanese preference for Wang Ching-wei if Generalissimo Chiang Kai-shek did not jump to the crack of the Nipponese army's whip, was that the greatest sufferers by them were the Japanese people themselves. The Chinese, by experience, have learned to treat cautiously with Japanese proposals, and were not optimistic.

So far as could be seen, the reports were inspired, and disclosed nothing not suggested by Wang Ching-wei after his defection from Chungking at the end of 1938. They were totally unconfirmed on the day they were given credence, and Wednesday's extension of the Axis at Vienna irrevocably discredited them. Yet there were grounds enough even early this week to lend them support, and certainly grounds enough to provide the smoke screen Japan needed to cloak the Axis enlargement and an extension of her own individual adventure southwards.

On every hand the Axis bearings appeared to be smoking for lack of oil. Germany was being baffled by Britain and she was failing to obtain little more than a fraction of the fuel she needed from Rumania. Suner had been summoned twice by the Fuerher and had failed to give an undertaking that Spain would launch an attack on Gibralter and thus give Germany access to new supply sources. Italy had gone off half-cocked against Greece and far from mimeographing Hitler's continental Blitzkrieg, she was putting up a very good imitation of his failure against Britain. Japan had been dismissed from the N.E.I. with not much more than a bucket of crude oil, and Lieut-General Yoshitsugu Tatekawa had been cooling his heels in Moscow for approximately a month without delivering the "readjustment of relations" for the discovery of which he was farewelled amid a tremendous fanfare of publicity. It must have become evident to Hitler last week, when he summoned Suner, of Spain, and Ciano, of Italy, to Germany for conversations, and to Premier Prince Konoye, when on Tuesday he again delayed naming a Japanese Ambassador to the United States, that the situation was critical.

Hitler Moves Fast

Hitler moves fast, or not at all. That has been the whole secret of his successes on the European Continent and might have led him to a final success over a a weakened unprepared Britain. But he indulged in that fatal, inexplicable delay which gave Britain three months in which to rush her first line defences to a stagey completion. It is improbable, therefore that Hitler has forgotten what that delay cost him; it is certainly most unlikely that he viewed the Italian fiasco in Greece with any great favor, or that he derived pleasure from Japan's bungling in the Far East. Unable to face a prolonged stalemate on all the Axis fronts, Hitler apparently decided to drag the Balkans into a fraticidal and possibly sectarian war, and to this end on Wednesday last he pressed Hungary into the Tripartite Pact, a subsidiary of the Axis, and enjoined Bulgaria, Rumania and Slovakia to come under the protection of the Axis also. This was the first step towards the culmination of a European-Asiatic anti-democratic bloc predicted by Giavanni Ansaldo in the Leghorn Telegrafo, Italian Foreign Minister, Count Galeazzo Ciano's newspaper, on Tuesday.

Ansaldo predicted the formation of an Algeciras-to-Tokyo regime as a reply to the Anglo-United States. "An enormous European-Asiatic bloc will be created," declared Ansaldo. "Not all members of this bloc will be obliged to participate militarily, but all will have tight bonds with the elasticity and at the same time the ordered limits of Axis diplomacy."

The Far Eastern end of the Axis, meanwhile, ground slowly and obviously, and so far as Chungking was concerned, for the first time in her diplomatic career, China was in a position to dictate terms. Knowing this Japan wisely refused to approach. Instead, Japan offered her growingly irritated people the well-camouflaged sop of a southwards movement, beginning with the threat of involving the United States and Great Britain by the occupation of Saigon. Predictions of this movement against Saigon as a Japanese flank drive on Manila and Singapore have been voiced repeatedly in the *Review*, and the likelihood of these Japanese intentions being carried out increased during the week with the information that Japanese troops withdrawn from Kwangsi had been concentrated on Hainan Island.

The troops had been concentrated there, according to Chinese reports, in preparation for an attack on Saigon primarily, and, if the occasion arose, a drive on Singapore and Manila. If the condition of the Japanese as described above may be taken as correct, then Tokyo could wish for nothing more diverting than a plunge into power politics through her almost undamaged but untried navy. This could be best accomplished by the occupation of Saigon, challenging at once the United States and British Far East fleets, but only so long as those fleets were preoccupied with the work elsewhere, provided by the threat of axis domination of the Mediterranean.

And in this situation, the Kremlin, overshadowering Turkey and the Bosphorus, remains as silent as Lieut-General Tategawa, Japan's special envy to Moscow, who failed to deliver the goods.

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third of the imports, and only one-tenth of the exports of Shanghai. The latter has vindicated once more her traditional position in the China trade.

The most remarkable difference between North China and Shanghai foreign trade, however, is to be found in the participation in that trade of various foreign countries. In North China, the Japanese now supply over 80 per cent of all the imports, and are clients for over 30 per cent of the exports. In Shanghai, their trade shares are much more moderate, not surpassing 11 per cent in imports and 8.5 per cent in exports. These shares are hopelessly out-weighed by the aggregate as well as the individual shares in the Shanghai trade of the two Anglo-Saxon powers, which together account for 70 per cent of all Shanghai imports, and for 85 per cent of the city's exports. In Shanghai imports, the United States controls with 36 per cent, and the British Empire 34 per cent, both surpassing by more than three times the Japanese share. In Shanghai exports, the United States share of 45 per cent, and the British Empire share of 40 per cent outrank exactly by ten times the Japanese share.

There has been little talk recently on the China coast on the formerly crucial problem of China's balance of foreign trade. The reason is that throughout the past six months the Shanghai exchange market experienced so large an influx of repatriated Chinese and foreign refugee capital that exchange proceeds from these sources easily covered the exchange demand arising from the import surplus. Yet this import surplus continues to be large, and it will weigh heavily again upon the Shanghai exchange market should the influx of repatriated and refugee capital stop. In terms of American currency, China's foreign trade in recent months averaged a total value of below U.S.$40,000,000 whereof two-thirds imports and but one-third exports. In September, China imports were U.S.$27,000,000 while exports aggregated but U.S.$9,000,000, leaving an import surplus of U.S.$18,000. This figure indicates that the import surport recovered most in the periods which in recent years proved most critical to the Shanghai exchange market.

Shanghai's Rubber Industry Faces Setback After Steady Recovery From Effects Of Hostilities

BY FREDERICK FANG

RUBBER shoes were introduced into China as early as the latter part of the Manchu Dynasty, but it was not untill 1925 that the first Chinese rubber shoe manufacturing plant was established in Shanghai. The business of these factories was rather poor in those days, because of the general poverty of Chinese villages, and only a few of the large ones managed to remain open, including the Great China, the Yi Sen, and the Chen Tai rubber shoes manufacturing plants. The business condition of these factories was greatly improved after September 18, 1931, when the Japanese troops launched their invasion of Manchuria and a nation-wide anti-Japanese boycott was launched south of the Great Wall. At this time, a number of new factories came into being to meet the large demand for native-made rubber shoes. Among the new factories organized were the Min Sen, the Hung Ta, the Shih Yeh, the Yung Ta, and the Hwa Sin rubber shoes manufacturing plants.

During the 1932 hostilities around Shanghai, many of these factories were destroyed, but in 1935 when the National Government introduced its new monetary system, more rubber shoe factories were organized. According to an investigation made in 1937, Shanghai had 31 rubber shoe manufacturing plants, some of which also manufactured rubber tires and other rubber articles. They had a total capital of over $5,000,000, divided among them as follows:

Capital ($)	*Number of Factories*
50,000 — below	19
50,000 — 100,000	4
100,000 — 200,000	5
200,000 — 300,000	–
300,000 — 400,000	1
400,000 — 500,000	–
500,000 — 1,000,000	1
1,000,000 — above	1

The following table gives the names and capitalization of these 31 factories:

Name	*Manager*	*Capital*	*Location*
Great China No. 1	Wu Chen-sen	$3,000,000	Zikawei
No. 2	,, ,, ,,		Brenan Road
No. 3	,, ,, ,,		Ningkou Rd.
No. 4	,, ,, ,,		Nantao
Great Shanghai	Chang Ho-lien	100,000	Nantao
Ta Lu	Hsu Pu-ching	50,000	Thorburn Rd.
Min Sen	Tang Ho-chang	150,000	Nantao
Yung Ta	Liu Pei-shun	100,000	Linching Rd.
Hung Ta	Wang Shih-yung	100,000	Tsitsihar Rd.
Hwa Sin	Wang Sin-pu	20,000	Yochow Rd.
Hwa Tung	Ou Tso-pei	20,000	Feihung Rd.
Yi Chong	Tsao Tao-sen	20,000	Chaoyang Rd.
Yi Sen	Feng Lien-sen	400,000	Pingliang Rd.
Ta Tung	Chu Liang-pu	150,000	Meichow Rd.
Chen Tai	Hung Fu-mei	550,000	Dairen Road
Ta Fu	Li Hui	20,000	Tsaochiatu
Ta Sen	Shih Tze-san	10,000	Chapei
Ta Kong	Yen Tsai-kwei	15,000	Chapei
Nan Hwa	Chao Tze-hui	60,000	Chapei
Pei Min	Pang Hang-min	10,000	Nantao
Kung Shang	Sun Hung-chen	80,000	Brenan Road
Hwa Shang	Wang Sin-pu	10,000	Chapei
Wu Hwa	Yu Yi-shih	20,000	Nantao
Ta Sin Yung	Liu Fu-shun	10,000	Tokyo Road
Chen Ta	Hung Chiu-kao	30,000	Thorburn Rd.
Ta An	Ho Shun-sen	50,000	Ward Road
Li Ya	Yu Sen-wen	20,000	Thorburn Rd.
Sin Ta	Wang Shih-yung	10,000	Chapei
Shih Yeh	Huang Yun-tang	10,000	Wayside Rd.
Shih Chieh	Yang Yung-shien	20,000	Chapei
Yi Ho	Soo Kung-shien	20,000	Nantao
Yung Ching	Tung Sen-fa	10,000	Wuting Road
Shih Ta	Yeh Li-ping	10,000	Brenan Road
Shanghai Shih Yeh	Wang Su-shun	20,000	E. Yuhang R.

In 1937, these factories turned out 30,000,000 pairs of rubber shoes, including tennis shoes; 30,000 motor car tires; 177,000 pairs of ricksha tires; and $700,000 worth of hot water bags and rain coats.

$6,000,000 Loss in 1937

During the hostilities in the latter part of 1937, these factories lost directly and indirectly a total of $6,000,000, according to an investigation by the Economic Research Department of the Kincheng Banking Corporation. The Ta Lu, Chen Ta, Ta Kong, Chen Tai, Hwa Tung, Hwa Sin, Ta Tung, Ta An, Yi Chong, Li Ya, Shanghai Shih Yeh in the eastern district of Shanghai; the Great Shanghai, Min Sen, Yi Ho, Pei Min of southern district of Shanghai; and the Shih Ta, Ta Sen, Hwa Shang, and Sin Ta of the southern district of Shanghai suffered heavy damage and losses. Only the Great China No. 1, the Yi Sen, the Ta Sin Yung, and Nanyang factories escaped damage during the fighting. The Great China No. 4 Factory moved its machines to Hankow but most of the machines were sunk in the Yangtze River near Chinkiang when the Japanese planes scored a number of direct hits against the ships loaded with them. The Chung Kuo Li Kee Rubber Goods Manufacturing Plant was first moved to Wuchang, then Hengyang and still later to Kunming. At present, the factory is operating in the Yunnan capital. The following table shows the damage and losses of the 31 Chinese factories in Shanghai during the hostilities:

	Number of Factories	*Capital*
Completely destroyed	5	$ 220,000
Seriously damaged	10	1,160,000
Slightly damaged	15	1,285,000
Undamaged	4	2,420,000

Not until the spring of 1938, did the Great China, the Yi Sen and the Yung Ching factories resume operations. By the end of the year, more factories had resumed operations, including Chen Tai, Hwa Sin, Shanghai Shih Yeh, Ta Tung, Shih Chieh, Shih Yeh, and Hwa Tung in Hongkew. The Chen Tai factory established also a branch factory in Wuting Road in the International area.

The Min Sen and Great Shanghai factories of Nantao were reopened also in the Settlement. Other factories resumed operations in the Settlement included Hung Ta and Wu Hwa factories. At this time, a number of new factories was organized, such as the Nanyang, Wuchow, Hwa Fung, Shunlung, Ya Chow, Singapore, Yi Fung, Hwan Hwa, Yuan Yuan, Hwen Chiu, Li Kong and Kuo Tai, a total of twelve factories. Meanwhile Japanese interests organized two factories here, each of them with a capital of Y.100,000. Eight factories failed to resumed operations and closed down completely because of the hostilities. They were the Ta Lu, Ta An, Chen Ta, Nan Hwa, Pei Min, Yung Ta, Yi Chong and Yi Ho factories.

The present condition of the rubber goods manufacturing plants is shown in the following table:

	Number of Factories	*Capital*
Chinese:		
Resumed operations	14	$3,480,000
newly organized	12	230,000
Japanese:		
newly organized	2	200,000

In 1936 and 1937 between the months of September and April, the monthly production of rubber shoes was 3,000,000 pairs, while during the months of May and August, the monthly production was only 1,500,000 pairs and the annual production was 30,000,000 pairs. In 1938, following the withdrawal of Chinese troops from Shanghai, total production during the year was only 8,000,000 pairs. In 1939 it increased to 12,000,000 pairs. Four factories manufactured rubber tires for motor cars and rickshas before the war, but only two are turning out such products at the present time and the total production is greatly reduced.

Three Large Markets Supplied

Prior to the war, Shanghai products were sold in three large markets. The chief one was the entire Yangtze valley, including such large cities as Nanking, Hankow and Chungking. Second were the North China provinces,

including Tientsin, Peiping, and Tsinan. The third was the Hongkong-Canton region. As communication lines with these interior provinces have been cut during 1938 and 1939, only small quantities of rubber shoes were sent to Free China. However, new markets in Fukien and the South Sea Islands have been developed and large quantities sent to these regions. Because of the tightening of the naval blockade along the China coast in the early part of 1940 and the control measures taken by the Japanese prohibiting the export of rubber shoes (with the exception of small sizes used for children) to foreign countries, local factories have found it extremely difficult to dispose of their products and many small factories, most of which were newly organized after the war with small amounts of capital, were closed down.

The prices of raw materials as well as finished products have been increased several times during the past four years. The following table giving the prices of various raw materials and various kinds of rubber shoes in August, 1937 and October, 1940 will show vividly the difference:

Product	Prices August, 1937	October, 1940	Percentage Increase
Rubber	$0.72 per pound	$3.50 per pound	486.11
Colcium-Carbonate	0.026 per pound	0.12 per pound	461.33
Magnesium-Carbonate	19.00 per picul	80.00 per picul	421.05
Zinc Oxide	600.00 per picul	80.00 per ton	450.00
Li Teh Powder	300.00 per ton	2700.00 per ton	500.00
Carbon Black	0.03 per ton	1500.00 per pound	400.00
Rubber Shoes	9.00 per dozen pairs	34.50 per dozen pairs	383.33
Tennis Shoes	11.00 per dozen pairs	50.00 per dozen pairs	454.54
Ricksha Tires	22.00 per pair	55.00 per pair	239.13

Factories, which ordered large quantities of raw materials in 1938 and 1939 when prices of raw materials were not greatly increased, made heavy profits. In 1939, one of the largest rubber factories in town made a net profit of $3,000,000 while the smaller ones made profits of $100,000. As the cost of production is increasing daily and the market has been limited by the political and military situation in the Far East, it is feared that small factories will have to close down in the near future.

Washington Said to Have Approved Choice of Admiral Nomura as Ambassador to U.S.

Admiral Kichisaburo Nomura, who is known to be a friend of the United States, has been designated new Japanese Ambassador to Washington to succeed Kensuke Horinouchi. Admiral Nomura, who formerly was Japanese Foreign Minister, was understood to have gained the approval of official Washington.

Admiral Nomura was understood to have rejected once the offer of the post when it was first made following Mr. Horinouchi's recall.

Admiral Nomura has seen service at home and abroad in the past 40 years as instructor, administrator, tactician, diplomat and commander of the Battle Fleet in the midst of active hostilities.

Considered a friend of the United States, the retired Admiral, when he was named Foreign Minister in September, 1939, was faced with the delicate task of adjusting American-Japanese relations which had been strained by the China War to the point of American abrogation of the 1911 Japan-America commercial treaty. In addition, Japan, a member of the anti-Comintern front, had been deeply shocked by Germany's commitments to Soviet Russia which had resulted in the fall of the Hiranuma cabinet.

The Admiral was a young man when he first went to the United States as a student at the U.S. naval academy at Annapolis. He returned later as Japanese naval attache to Washington at the time Franklin D. Roosevelt was assistant Secretary of the Navy and the two were said to have been more than casual acquaintances. Later he attended the 1921-22 Washington Disarmament Conference as a member of the Japanese delegation. He had previously been present at the Versailles Conference.

The Admiral has won the praise of Admiral William V. Pratt, American chief of naval operations, who declared, "Not only is Admiral Nomura a most able naval officer, but he is a statesman of very high caliber."

The selection was generally held to be a victory for the group close to the Emperor and a setback for the totalitarian inclined Army officers who had sought closer ties with the Rome-Berlin Axis.

Washington Carries Another 1200 U.S. Evacuees Home; Missionaries' Wives Go

The Evacuation liner s.s. Washington picked up about 500 evacuees in Shanghai this week and a further 700 at Manila, mainly wives and families of U.S. Navy personnel. The total number of passengers returning to America from the Far East is expected to total about 1,200. The vessel could carry about 1,600 passengers if required.

Among the passengers from Shanghai were a number of wives of missionaries, who form the vanguard of the vast majority of mothers connected with American Christian Missions throughout China who have decided to leave the Far East during the next two months.

Missionaries, it was observed are confronted with the question of whether to stand by their life work in defense of the Christian faith or to leave China, as has been advised by the United States government, and clear the decks for possible action in defense of other American interests.

In many instances, it was declared last week, the painful problem has come into the midst of families. Husbands generally wished to guarantee their wives safety by sending them away, while the women have overwhelmingly expressed their desire to remain with their husbands. In every instance where families were separated, unhappiness was bound to follow, it was pointed out.

New cases of increased hardships in the mission field have been reported recently. One mission doctor has been refused all medical supplies to his hospital because he must transport them from occupied area to Free China.

Meanwhile, the N.Y.K. liner, Fushimi Maru, last Japanese evacuation ship from the war-stricken Europe, was enroute to the Far East this week with more than 200 Japanese evacuees on board, according to *Domei*, Japanese news agency. Fifty passengers will disembark at New York, and the remaining 150, including Mr. Kiyoshi Uchiyama, Japanese Consul-General in London, will continue to Japan and are expected to arrive on Japanese 10.

Carrying aboard another group of Japanese evacuees from the war-stricken Europe. the N.Y.K. liner Suwa Maru will arrive in Shanghai next week from Singapore, Japanese reports said.

Japanese Diet Prepares To Convene As Numerous Diplomatic Changes Continue

The Japanese Cabinet has decided to convene the Imperial Diet on December 24, according to Japanese reports. The session to be convened will be the 76th. Opening ceremonies are scheduled for December 26, and business will be taken up the following day.

Mr. Yoshiaki Miura, newly-appointed Japanese Minister to Mexico, and one-time Japanese Consul-General at Shanghai, arrived at Mexico City on November 14, sume his ne wpost.

Meanwhile, Mr. Sho Kurihara, newly appointed Japanese Ambassador to Turkey, presented his credentials to General Ismet Inonu, President of Turkey, this week, in the latters' official residence, in the presence of Mr. Sukru Saracoglu, Turkish Foreign Minister.

In Rio de Janeiro last week, Mr. Itaro Ishii, newly appointed Japanese Ambassador to Brazil, paid a courtesy visit to Dr. Oswald Aranha, Brazilian Foreign Minister.

During the meeting with the Brazilian Foreign Minister, the Japanese Ambassador stressed the necessity of strengthening the friendly Brazilian-Japanese relations under the critical international situation.

Mr. Ishii, who was formerly Japanese Consul-General at Shanghai, arrived from Japan on November 13.

Japanese Subversive Elements Believed Behind Crime Outbreak Around Shanghai

Although the Japanese authorities themselves charge that the recent series of attacks on Japanese and Japanese nationals in the occupied areas around Shanghai during the past two weeks were plotted and carried out by Chinese New Fourth Army guerillas who are reported to have infested the region lately, there is a steadily growing belief among foreign observers in Shanghai that Japanese subversive elements are behind the outbreak of crime.

Every one of the ten known murderous assaults (there is good reason to assume that there have been many more than ten, but that information concerning them has been suppressed by the Japanese authorities), it is pointed out, have taken place in the areas directly under the jurisdiction of the Japanese military, and on each occasion the Japanese military have taken the most stringent precautions, but without result.

Whole districts have been barricaded off within a few minutes of gun attacks on Japanese, and there can have been few Chinese who escaped the search parties who combed the areas almost inch by inch. Yet the Japanese were unable to find a Chinese who could have been held guilty even by the exceedingly elastic standards of the Japanese military tribunal, and attacks continued to occur almost daily until last Saturday.

It was further pointed out that since the outbreak of the Sino-Japanese hostilities in 1937, the Japanese Government has become progressively totalitarian, with the consequent suppression of all left wing political parties which before the war represented hundreds of thousands of Japanese subjects. A great many of these leftists clung to their political beliefs despite purges, mass arrests and every other possible form of suppression, and it is known that many of them fled to Shanghai to escape the dreaded Japanese secret police.

Come Out of Hiding

Increasing dissatisfaction among Japanese generaly at the course of events in China is reported to have given these political refugees the opportunity to come out of hiding recently, and it was learned from the most authoritative sources last week that they have been successful in forming at least one active political group in Shanghai. This group, the **Review** was informed, was revolutionary in character only in its anti-war aims, but was declared to be, otherwise, violently patriotic, and owing to this had managed to participate even in Shanghai Japanese civic affairs. There was among the group, however, it was added, several Japanese with strongly radical views, and it was believed that this section of the party may have been responsible for the attacks on Japanese military officers and men.

The attacks started on September 29, when gunmen shot and fatally wounded a Japanese naval commander and a Japanese gendarms in the Hongkew area. The naval officer died on the spot and the gendarme succumbed at the Army hospital shortly after. The perpetrator of the shooting never was discovered, although Japanese gendarmes threw a heavy cordon around the the shooting area for several hours and refused to allow Chinese to enter or leave.

The principal attack of them all occurred on October 11, when a yet undiscovered assassin bludgeoned to death the Shanghai puppet mayor Mr. Fu Siao-en, while he was asleep at his home in Hongkew. Dozens of suspects were rounded by Japanese gendarmes, but none was proved guilty. A "suspect," the Mayor's cook, Zung Tsu-en, disappeared the day of the murder and has yet to be caught.

A Japanese Army officer was reported to have been shot and killed at the time of Mayor Fu's slaying, but due to Japanese reticence, this report was never officially confirmed.

Another attack came on October 14 in Hongkew, where Private M. Mugita was injured by a bullet as he was driving a Japanese Naval automobile in which there was a number of Japanese Naval officers. The chauffeur recovered from the wound.

The next attack occurred in the Badlands, an unidentified assailant on October 18 firing on and killing a Japanese gendarme, Corporal Seichi Sato. Japanese gendarmes immediately took reprisals against the inhabitants of the Yu Yuen Road area where the killing occurred. They flung a cordon around the lane in which the murder took place and maintained a strict blockade for more than a week. During that time, it was authoritatively repored, at least two Chinese inhabitants lost their lives because of starvation and lack of water.

Army Man Wounded

An assassin, who has been neither identified nor caught shot and wounded a Japanese Army assistant paymaster, Mr. Hisao Nakamura, in Hongew, on November 5. Gendarmes isolated the area for more than two hours, but without success.

A Japanese gendarme was shot and killed on November 8 by members of Mr. Wang Ching-wei's Peace Preservation Corps who were guarding the kidnapped son of the Nanking Government's Railroad Minister. The gendarme appeared on the scene to investigate reports of a kidnaping at the time the shooting occurred.

An unknown gunman shot and killed Mr. Ting Tschih, a Formosan employed by the Japanese gendarmes as a tipster, in a Chinese hotel just outside the United States Marines sector on November 12. The slayer has not been found.

Captain Shih Ishibashi, of the Japanese gendarmes, was shot by an unidentified Chinese in Hongkew on October 14. Captain Ishibashi was expected to survive. None was apprehended for the shooting, although the Japanese carried out their usual procedure of throwing a cordon of gendarmes around the area and searching all Chinese.

Sergeant-Major Mitsugu Tominaga Japanese warrant officer, was shot and critically wounded in front of the Japanese Club on Boone Road by an unknown assailant on November 16. He succumbed to his wounds in the Shinozaki Hospital Tuesday.

Soon after the shooting Japanese bluejackets threw a cordon around a section of Hongkew between Chapoo Road Road and the North Szechuen Road bridge. Approximately 200 Chinese found themselves isolated from the outside world.

The situation assumed serious proportions at about 9 p.m. on November 16, when a mob made a frenzied attempt to rush past the naval sentry on Chopoo Road. In the confusion the sentry fired a shot accidentally at the mob killing one Chinese and wounding four others. Outside help could not be sent to the wounded men a tthe time.

More than 300 Chinese were herded together in the Quinsan Park Sunday morning following the disturbances. Japanese gendarmes closed the front and rear entrances to an apartment, house after making a systematic search of all the flats in the place.

The shooting of Major Tominaga was the eleventh atttack on Japanese or their agents in Shanghai since September 29, and the eighth to occur in the Japanese-controlled Hongkew area.

Man Hunt Started

A extensive man-hunt launched by the Japanese Special Naval Landing Party in the Hongkew area following the attack on Sergeant-Major Mitsugu Tominaga led to the arrest of more than 15 suspects, the Japanese Shanghai **Mainichi** reported Monday. Pistols and a large amount of bullets were found on some of the suspects arrested, the journal said.

Meanwhile, a soldier of the Japanese Naval Landing Party at Chapoo Road Bridge shot an unidentified Chinese women on November 16 and she died Sunday. An ambulance sent to the scene by the Settlement Fire Brigade at the time of the occurrence was stopped by the Japanese authorities and refused permission to attend to four other wounded persons.

One story was that the sentry in question was holding his rifle at the hip, when he accidentally discharged it. The single bullet wounded no less than five Chinese who were squatting in a row on the pavement.

The Japanese Gendarmie Headquarters in Shanghai on November 15 issued a notice through the **Mainichi** requesting all Japanese residents of the district to assist authorities in effecting the arrest of all terrorists.

The notice stated that "when such a case occurred, all Japanese residents in the vicinity of the crime should give chase after the outlaws and promptly cause either the Landing Party, Gendarmie or Consular Police authorities to be immediately informed of all known particulars of the case."

Meanwhile the **Tairiku Shimpo**, Japanese army organ, urged positive efforts by Japanese civilians for eradicating terrorism in Hongkew, asserting that "there is no guaranteee that Chungking terrorists will not extend to Japanese civilians their activities which had been concentrated on Japanese officers."

S.M.P. Criticized

The daily further urged that the Japanese authorities should demand the Settlement and Concession authorities to adopt stronger measures in suppressing anti-Japanese terrorism.

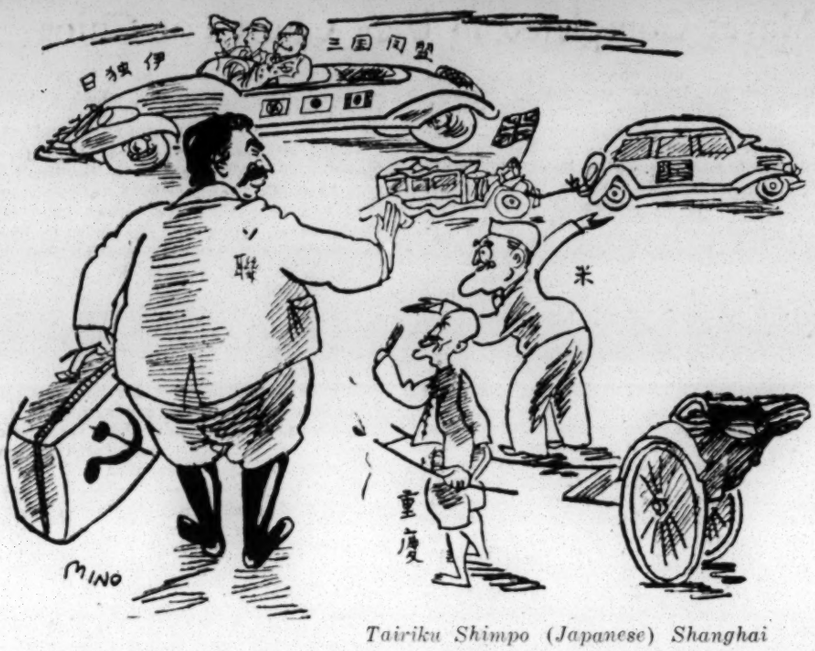
"The Settlement and Concession authorities may try to evade the responsibility for shootings in Hongkew on the ground that their policing right has not fully been restored in Hongkew which is still under the Japanese control," the paper said. It added, however, since these areas adjacent to the Japanese-controlled area were beyond the Japanese control and free communications between these areas was permitted, terrorism by Chungking agents could not be terminated by guarding Hongkew alone.

The **Tairiku Shimpo** said that thus the Settlement and Concession authorities they share the responsibility for shootings in the Hongkew area.

The Nanking Government had ordered the arrest of the Chinese, and the deportation of foreign nationals, who were keeping in touch with the Chungking regime, the paper recalled. Since Mr. Li Sheng-wu, Minister of Justice of the Nanking government, recently made it clear that these orders were not a mere political gesture, they should be enforced as soon as possible, the **Tairiku** urged.

Responding to the notice to Japanese residents by the Japanese Genarmerie Headquarters, Mr. Yukichi Hayashi, President of the Federation of Amalgamated Japanese Street Unions, and President of the Japanese Ratepayers' Association, on Sunday called a meeting of respresentative Japanese residents to work out definite measures to check terrorism in Hongkew.

Stalin Inspects the New Cars



Tairiku Shimpo (Japanese) Shanghai

Japanese cartoonist depicts Stalin waving aside Gen. Chiang Kai-shek's ricksha, and President Roosevelt's last year's model (towing a wrecked British car) in favor of the new streamline car of Germany, Italy and Japan.

Ambitious

News of the World, London

Moscow Question

Daily Mirror, London

Invade Or Evade?

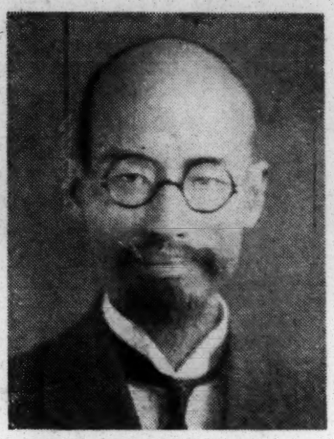
News of World, London

"Let's Twist His Tail Now"

The Glasgow Bulletin

Puppet Educationalist Dies In Peiping

Spending his last days as a disillusioned and embittered spectator of the squabbles between the puppet political factions he helped to raise, Mr. Tang



Tang Erh-ho

Erh-ho, member of the North China Political Affairs Commission and Commissioner of Education for North China under the Wang regime, died from cancer of the lung at Peiping on November 8.

Tang was aged 63 when he died, and among China's educationalists, he could have laid claim to one of the most colorful careers in an eventful era.

Holder of a Japanese M. D. degree, Tang was believed to have known the fatal nature of his illness when he became one of the primary movers in the formation of Wang Keh-min's Peiping Provinsional Regime, only to switch over to Wang Ching-wei's camp when fortune and the Japanese favored the latter.

Although notable in recent years for his pro-Japanese leanings, the late educationalist revealed a tendency in this direction as far back as the Manchurian Incident, after the outbreak of which he visited Tokyo as an emissary of General Chang Hsueh-liang, to whose North-eastern Army Headquarters he previously had been invited as a consellor.

Prior to his appointment as a member of the Hopei-Chahar Political Council, he had held the posts of Education Minister in the Wang Chung-hui Cainet in 1922, minister, of Interior in the Wellington Koo Cabinet in 1926, and Minister of Finance in 1927.

According to a **Domei** report, Fang Tsung-ao, head of the Educational Department of the Directorate-General of Education of the North China Political Affairs Commission, will be Acting Tupan of the Directorate-General of of Education, filling the position left vacant by Tang. The post of "Chairman of the East Asia Cultural Council," which Mr. Tang held concurrently with the position of Tupan of the Directorate-General of Education, will be filled by Fu Tseng-seng, Deputy-Chairman of the East Asia Cultural Council.

Manchukuo Areas Deprived Of "Preferential" Laws

The Japanese Government has abolished the preferential treatment accorded some areas in Manchukuo by leaving them out of the provisions of the Foreign Exchange Control Law, according to the Manchuria Daily News at Hsinking.

The areas affected are the South Manchuria Railway Zone and the entire Kwangtung Territory. Funds sent to these districts will now be handled as foreign exchange.

Hearing Of Charges Against Mr. Rudolph Mayer Completed in U. S. Court For China

Judgment on charges against Mr. Rudolph W. Mayer, accused of defrauding Mr. Marcel Heimendinger, a French citizen, was to be handed down in the U. S. Court for China on Friday, following a hearing which lasted for more than a week. Mr. Mayer is a brother of Mr. Louis B. Mayer, Hollywood film producer, and had been living in Shanghai for some time when he disappeared the day a warrant was issued for his arrest. After a period of hiding, he surrendered to the U.S. Marshall to face charges against which he pleaded not guilty.

Concluding his summing-up for the prosecution, Mr. Charles Richardson, J., Acting District Attorney, analyzed the various elements making up the charge against Mayer, these being, that he represented to Mr. Heimendinger that he posessed a bona fide charter for the ss. Ave Maria and that he had paid $20,000 for this charter. He is alleged to have induced Mr. Heimendinger to pay him $10,000 for a 20 per cent interest in the profits made by the operation of the ship.

The charge goes on to say that his representations to Mr. Heimendinger were false and that the defendant was at no time in possession of a charter, and had never paid $20,000 for it. The last clause of the charge alleges that Mayer knew that his representations were false, and that he made them with the intention of defrauding Mr. Heimendinger.

Mr. Richardson went on to indicate the connection between these charges and the evidence of the various witnesses for both the prosecution and the defense. He alleged that the charter party shown by Mayer to Mr. Heimendinger was a direct forgery, and was therefore invalid.

The defendant must have known that the Continental Company, which granted the charter, was not entitled to do so. "The prosecuion thinks," said the District Attorney, "that on August 12 Mayer took the charter to Heimendinger, knowing that it was a forgery, and that the he must have known that the Continental Company was not entitled to charter the Ave Maria, and that he must have known that he had never paid $20,000."

Mr. C. S. Franklin, defense counsel, then summed up for the defense, declaring that it was necessary for the prosecution to establish all five of the elements mentioned by Mr. Richardson. He based his request for acquittal for Mayer on the grounds that these elements had not been satisfactorily established by the prosecution.

Special mention was made of the clause in the agreement between Mayer and Heimendinger which stated that should Mayer be unable to obtain a pass for the operation of the ss. Ave Maria from the Japanese authorities, Mr. Heimendinger's money should be returned to him. Mr. Franklin emphasized that had Mayer been intending to defraud the complaintant, he would never have permitted this clause to be inserted in the agreement.

Prince Saionji Stated Weakened By Illness

Prince Kimmochi Saionji, 92 years old, last of the "Genros," is showing signs of weakening after weeks of illness brought about by a cold, according to Japanese reports this week.

White Russian Deported By Japan On Spy Charge

Japanese police in Tokyo last week ordered the expulsion of a White Russian alleged spy, Alexis von Koinatsky, and 27, a graduate of Berlin University, Japanese exports said.

The Japanese charged that Koinatsky, who specialized in Oriental studies at the German university, had collected vital Japanese information and supplied it to a younger brother who peddled it around Shanghai.

Koinatsky was able to obtain the information through has connection with the Japan Broadcasting Corporation and the Institute for the Study of National Spirit, which is maintained by the Ministry of Education, it was reported.

The attention of the police was arcused when Koinatsky began collecting data on stocks of lumber, coal, tungsten, copper, spinning machinery, photographic apparatus and other commodities on the pretext that he desired this information for an export business to Shanghai. This phase of his activities, the police learned, coincided with the arrival in Shanghai of his younger brother from France in March this year.

Meanwhile in Singapore, Mamoru Shinozaki, an employ of the Japanese Consulate-General, was being tried this week before a Court of Assize, charged with violation of the Official Secrets Act. The trial was taking place before a jury of Europeans.

The accused was arrested on September 22 and appeared for six day hearing before Second Magistrate Conrad Oldham, who committed the Japanese for trial.

Eclipse Of Sun To Be Seen In China Next Year

Professor Mikhailov, a leading Russian astronomer, said in Moscow recently that a total eclipse of the sun which will occur on September 21, 1941, would be visible in northern China as well as in Russia, According to Tass, Russian news agency. The professor has been named vice—chairman of a Russian Academy of Sciences commission for observation of the eclipse.

"Soviet scientists are making extensive preparations for the observation of the eclipse," he said. "Some thirty scientific expeditions will be stationed in the zone of the total eclipse from the Aral sea to the Chinese border. The Soviet optic and mechanical works are manufacturing special instruments for the observations."

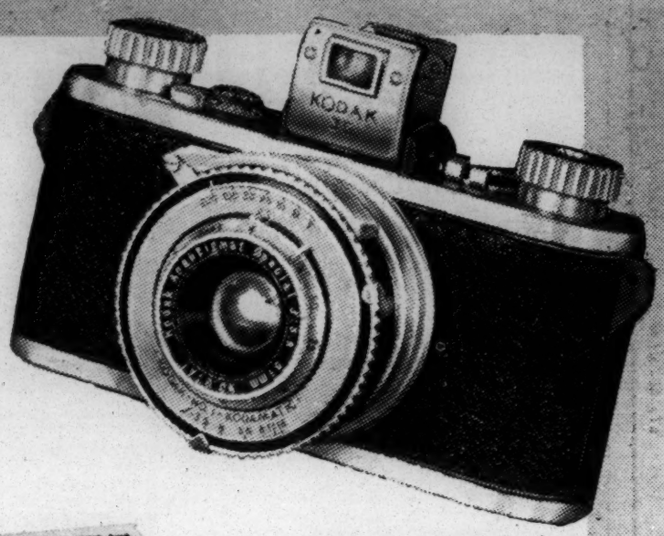
Bubonic Plague Declared Prevalent In Chekiang

All vessels arriving at Shanghai from ports on the coast of Chekiang Province must undergo rigid quarantine measures due to the prevalence of the bubonic plague at certain ports of the Province, P. I. Tirbak, the Harbormaster, announecd this week.

No vessel will be permitted to enter the harbor here unless a period of six full days has elapsed since its departure from a Chekiang port. Numerous precautionary measures to be taken to prevent the spread of the disease were published in the Shanghai press on Tuesday.

It will be recalled that the plague first broke out in Mancuria about a month ago.

Kodak 35



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The new Kodak 35 enables you to own not only an inexpensive 35 mm. miniature camera, but one that is dependable, with features heretofore associated with expensive models. Through modern photofinishing methods, yields big 2¾ x 4-inch (black-and-white) prints at a surprisingly low cost. Has fast, fully-corrected lens, precision shutter, fingertip focusing, film-centering and locking device, to name a few. Available with f.3.5, f.4.5, and f.5.6 lenses, and shutter speeds of 1/200, 1/150, and 1/100 respectively.

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Camp Proposed As Solution To Shanghai's Beggar Problem To Be Opened Shortly

A Chinese beggars' camp, aiming at a fundamental solution of the problem of the beggars infesting the streets of the Settlement, soon will be inaugurated, the Shanghai Municipal Council announced this week.

The Council has provided a large area of Municipal land at the junction of Hart and Singapore Roads for the camp the Rotary Club of Shanghai has been backing the project, while the Salvation Army will undertake the maintenance of the camp.

The camp will be the consummation of a promise made by the Chairman of Council when he informed the ratepayers this year of the Council's intention to cope with the problem.

The Council said that it would not use ordinary revenues of the Municipality for relief and that financing of the beggars' camp project must develop upon private philanthropy.

It was necessary, the Council said, since the Salvation Army Budget cannot meet the cost, that all secions of he public be relied on to meet the expense of this Community project. A commencement in the financing of the project has been made by the decision of the Council, reached with the approval of Refugee Relief authorities, to divert part of the proceeds of the Voluntary Entertainment Levy to begger relief. This provision the Council said, will enable the Salvation Army to start the layout of the camp site and erection of necessary buildings.

Beggars found in streets of the Settlement will be rounded up by the Police and delivered to the camp, the S.M.C. said. The Salvation Army will receive all beggars at the camp, which will be staffed by the Salvation Army. Beggars will be compulsorily detained in the camp until they could be released under guarantees. Their care will include housing, clothing and feeding.

Teachers on the camp staff will seek to rehabilitate them.

The ultimate object of the camp is economic rehabilitation of the beggars, the S.M.C. said. The Council's hope is to achieve progressive diminution in the numbers of beggars in the Settlement.

New Shanghai Mayor Sworn Into Office

Mr. Chen Kung-po, President of the Legislative Yuan of the Nanking Puppet Government, assumed a concurrent office as Mayor of the Shanghai Special Municipality on Wednesday.

Mayor Chen took over the office from Mr. Soo Hsi-wen, who has been Acting Mayor since the assassination of Mayor Fu Siao-en on October 11.

The new Mayor came here from Nanking last Saturday. His new office is at Mr. Wang Ching-wei's residence on Yu Yuen Road.

The inauguration ceremony for Mr. Chen and various commissioners was performed at the Kiangwan Civic Center.

Sworn into office at the same time was Mr. Hu Chen-Wu, Secretary-General of the Shanghai Municipal Government, who is replacing Mr. Soo Hsi-wen. Other new heads of the municipal government are Mr. Yuan Hou-Chih, Commissioner of Finance, Mr. Yeh Hsueh-sung, Commissioner of Public Utilities, and Mr. Ling Hsien-wen, Commissioner of Social Affairs.

The personal bodyguards of Mayor Chen were sent to the Kiangwan Civic Centre to take up their duties beginning Wednesday.

Japanese Pupils To Have School Uniforms Rationed

Uniforms and stockings for Japanese primary school pupils will be distributed on the ticket system basis during the latter part of this month or early next month, according to an announcement made by the Tokyo Ministry of Commerce and Industry, Japanese sources reported this week.

The first distribution of the uniforms, numbering about 250,000, will be for boys only and the uniforms will be in three sizes, for the first, third and fifth grades. The reason for the omission of the second, fourth and sixth grades is simply that the uniforms will have to be worn for two years.

The stockings are intended for both boys and girls, and 3,000,000 pairs will be available in the first batch. Tickets to purchase the stockings will be issued to primary school pupils throughout the country by school principals.

The authorities of the Ministry had taken into consideration the case of students living in the cold regions of the country, and ample supplies of stockings were on hand for their use, it was declared in Tokyo.

HUNT ENGINEERIN

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Series of Tragic Coincidences Found in Story Behind Japanese Murder of "Foxy" Kent in Attack on Plane

Chungking (By Mail).—The deaths of W. C. "Foxy" Kent, pilot of the China National Aviation Corporation plane shot down by five Japanese raiders at Chanyi in Yunnan Province on October 29, and Miss Lu Mei-ying, the plane's hostess, were particularly tragic because neither of the victims was on a regular run.

Kent took over the plane from Pilot Leonard because he was anxious to get to Hongkong to see his wife and son off to the United States. Miss Lu, making her last run before resigning, should have taken the plane on the succeeding run, but arranged to fly with the ill-fated plane in order to complete her service a few days early.

The giant Douglas DC-2 passenger plane, known as "Chungking," No. 39, was brought down while flying from Chungking to Kunming. Kent, who was at the wheel at the time, was killed instantaneously in the air by a shell from a small cannon on a Japanese plane, while Miss Lu was hit by a shot and died in a hospital of the wounds the following day. Seven other persons also were killed.

In addition to wanting to see his wife, Mrs. Marie Brown Kent, and his three-year-old son, Peter, who were to leave Hongkong by clipper on November 1, Kent wanted to be in Hongkong on October 31, to celebrate his 37th birthday.

Two C.N.A.C. planes were scheduled to leave for Hongkong on the fateful day, one from Chungking direct and the other, the "Chungking," to make a round trip to Kunming and back before flying to Hongkong.

Ill-Fated Chance

H. L. Wood, American pilot who manned the C.N.A.C.'s "Kweilin," which was shot down by Japanese military planes over the Pearl River delta near Canton on August 24, 1938, was to take one of the planes. Kent and Wood tossed a coin on the Chungking air field to decide which of them should make the Kunming round trip. Kent lost out and got in the cockpit of the "Chungking."

The co-pilot, S. Shu, who escaped uninjured, also was not on a regular run at the time of the crash. He went on the flight after he had asked another Chinese co-pilot to exchange the latter's run with his. The other Chinese co-pilot already had signed the waybill and other papers.

Radio-operator J. L. Ling was the only member of the crew who was making the trip "on schedule."

The 12-ton plane "Chungking" formerly was the plane, "Kweilin," which was shot down by the Japanese in 1938. After the C.N.A.C. had salvaged the ship from the shallow waters of the Pearl River, they repaired and completely overhauled the airliner, changed its number 32 to 39, rechristened it the "Chungking" and put it back on the company's regular runs.

In both the 1938 attack on the "Kweilin" and the recent assault on the "Chungking," five Japanese planes took part in the raid. In both incidents only three of the passengers survived.

Co-pilot S. Shu and Radio-operator J. L. Ling, both of whom were uninjured, on their return to Chungking revealed that the Japanese attack began as the "Chungking" was making a turn after it had safely landed at Chanyi, 120 kilometers northeast of Kunming near the Yunnan-Kweichow border. Five Japanese pursuit planes opened up on the plane, which carried only passengers and mail. The Japanese attackers dived low, circling around the plane with their machine-guns wide open and also employing small cannons.

Killed By Shell

Kent was killed by the first round of fire, which penetrated the cockpit. He was fatally shot through the back. The shell which killed Kent, measuring 20-mm in diameter, is believed to have been one of the first shells fired from pom-pom guns in the Japanese planes. Similar shells were picked up in and around the damaged plane.

Only the left motor and the left wing of the airliner were burned. The right wing, right motor and the fuselage are reported to have been saved, although the extent of damage on these and other parts of the aircraft has not been announced.

Miss Lu was hit after she had run to the tail of the plane. Before she succumbed from her wounds at a hospital at Kutsing, 30 kilometers south of Chanyi on the Kunming-Kweiyang Highway, she made a poignant last-minute remark to Radio-operator Ling, who was visiting her. Asking her colleague not to leave her, she said in a determined tone: "If I should ever get better, I'd never leave the air service again."

One of the survivors among the passengers was Wu Kwang-mo, employee of the Farmers' Bank who was being transferred to the bank's Kunming branch. His wife and baby who accompanied him on the flight were both killed.

Sun Shih-chang, engineer of the Ministry of Communications and survivor of the crash, obtained his plane ticket just before the take-off. He was originally refused a seat in the plane because of its heavy load.

A final checkup on the casualties showed that among the 14 persons aboard the "Chungking" (four crew members and 10 passengers, including a baby) nine were killed, two were wounded and three escaped unscathed.

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Japan Reported To Have Launched "Peace Effort" After Yamchow Withdrawal; Guerilla Fighting Features Week

While military developments in China last week were highlighted by the Japanese withdrawal from Yamchow, China was again asked to consider another peace offer, said to be a "final effort" to enter into direct negotiations with Generalissimo Chiang Kai-shek, whose diplomatice relations with Japan were formally severed by the latter shortly after the repeated failure of her various "peace offensives".

The decision that Japan should negotiate a direct peace with the Chungking Government was said to have been reached at the Imperial Japanese Conference held on November 13, and it was indicated that unless Generalissimo Chiang agreed to alter China's attitude toward Japan "within a certain length of time," Japan would retaliate by extending formal recognition to the Wang Ching-wei regime in Nanking.

Interesting also was the report stating that the Japanese Foreign Minister, Mr. Yosuke Matsuoka, had informed the American Ambassador, Mr. Joseph Grew, that he intended to seek personal direct contact with Generalissimo Chiang during the present Japanese peace effort. Even the Japanese Army circles in China which have supported the Nanking regime were reported to have agreed to give Mr. Matsuoka a "final opportunity" to seek a direct peace with China, the terms of which were described to be as "liberal as any yet offered" by Japan.

Tokyo reports were followed by an immediate declaration by Chungking official quarters stating that they were without information concerning the "offer." In the meanwhile, Professor Nathaniel Peffer, of Columbia University, an authority on the Far East, declared that the defeat of Japan was the "first and indispensable" condition for lasting peace in the Far East.

Making an analytical study of the Japanese peace offer, the **Chinese American Daily News** wrote editorially that the entire problem was now focussed on whether China would surrender to the invader. In answering this question, the editorial stated "we ought to have a previous recognition of what is the final aim of China's war of resistance."

"First and foremost, China fights for her own existence, and, in the meantime, fights concurrently for international existence. As substantiated by bare facts, China's war against her agressor is not only a war for herself, but also a war for the international anti-agression bloc. From the latter's standpoint," the editorial added, "China will not suspend her war half way while the disastrous conflagration of international agression has still not been extinguished, and even from the standpoint that China is fighting for herself, it certainly would be unreasonable for China to surrender at this time.

"We should," the paper further asserted, "understand that Japan's attempt to destroy China is her sole traditional policy. Should Japan be remained undefeated one day, China will get no security one day. Japan is now obliged to launch her south expansion campaign under Axis pressure, but in her present condition, she certainly cannot advance southward until the conclusion of the 'China Incident'. Regardless of whether Japan might succeed in her southward-expansion campaign after the conclusion of the 'China Incident', in case she were successful, then, as a matter of historical conclusion, would resume her invasion of China."

In conclusion, the editorial remarked that China should defeat Japan once, for all and entirely, so that, internally, self-existence will be maintained and externally, she may fulfil her function in extinguishing the international conflagration of aggression.

Yamchow Reoccupied

The main war news of the week was the reoccupation of Yamchow, strategic coastal town along the Kwangtung-Kwangsi border, on November 14 by the Chinese troops who claimed that the Japanese were obliged to abandon the town when Chinese forces captured Chinsuiko, Kung-o-lin and Lungkow, strategic points outside of Yamchow. Chinese military authorities also officially announced the conclusion of military operations in South Kwangsi, following the complete withdrawal of Japanese troops from the Nanning, Yamchow and Chengnankwan areas.

The Japanese last week claimed to have launched a new offensive straddling three North China provinces Shansi, Hopei, and Chahar where large numbers of Chinese troops having been concentrating. Renewal of the artillery bombardment of Tungkwan, in Shensi, by Japanese batteries at Fenglingtu, on the north bunk of the Yellow River, since the morning of November 15, with Chinese batteries on the south bank replying, was also reported in a Chinese despatch from the Yellow River front. Severe fighting between the two forces was said to be proceeding in Southern Shansi, on the north bank of the Yellow River.

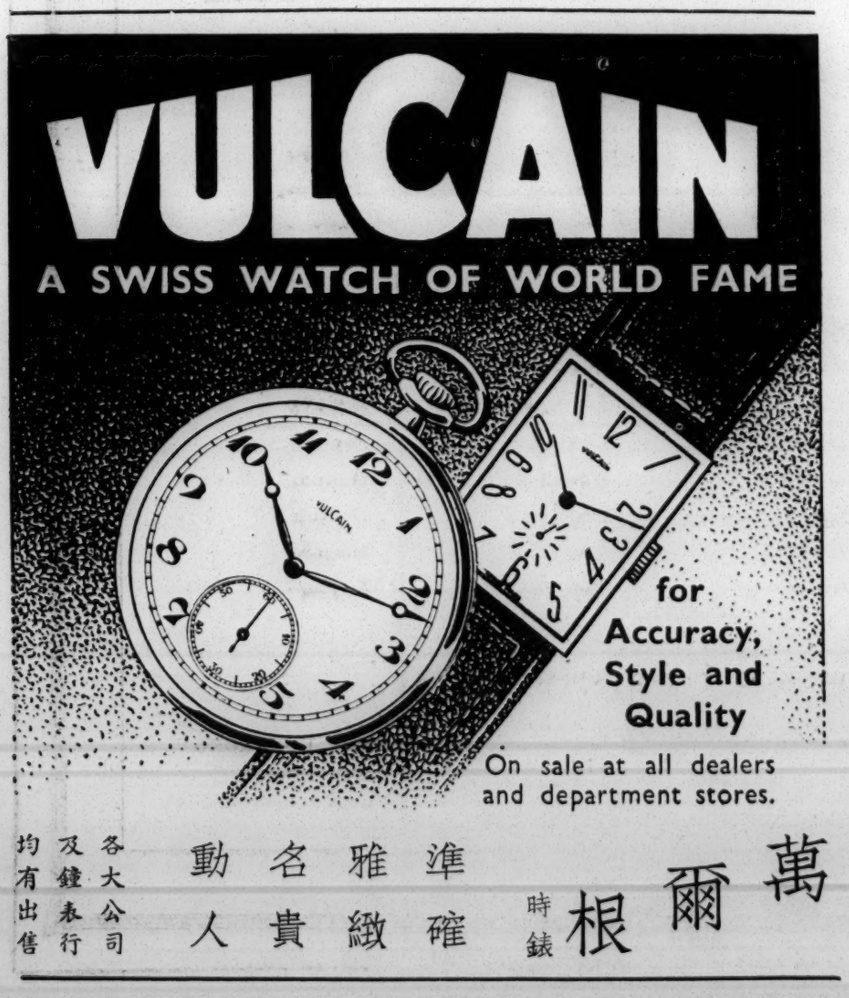
Chinese guerillas operating around Peiping again swung into intensive action as a number of strategic points in the western Hills near Peiping were roported to have been occupied by them. The Japanese troops, it was reported, have evacuated the coal mining area of Tsai Tang, at the border of Hopei and Chahar, according to well-informed circles in Peiping. Another interesting report from Hongkong stated that more than 1,000 Chinese troops organized by the Japanese at Kupeikow, Shih-jar-chen and Miyung mutinied during the middle part of October. Surrendering to the Chinese forces, these soldiers fought jointly against more than 1,000 Japanese cavalrymen near Kupeikow for several days in the latter part of October, and killed 500 of them.

Another Mutiny Reported

Coincident with the rebellion of the Japanese organized troops at Kupeikow was another mutiny of the pro-Wang Ching-wei Chinese troops in the vicinity of Soochow. The mutineers were reported to have led a band of guerrillas in attack on their former comrades, with the result that a large number of the new regime's soldiers was defeated and disarmed.

No major fighting was reported along the eastern war zone, except where Chinese guerillas were said to have succeeded in dynamiting the Japanese communication lines. Reported was the destruction of a train near Zashih along the Shanghai-Hangchow Railway, while four Japanese military trucks proceeding north-eastwards from Chaohsien, central Onhwei, to Hanshan were wrecked on November 10.

Chinese troops operating along the Central China war zone last week were reported to have pushed intensively toward Shansi, strategic town in West



Puppet Central China Bank Expected To Start Operations Her About December

Increasing indications were seen in Shanghai last week that Wang Ching-wei's new "Central China Bank" would be opened about December 1. Rumors had it that the new bank probably would attempt to issue its own currency, in F.R.B. style, to form the chief source of income for the Nanking Government.

Such a move was expected to complicate matters with the Japanese, since a "Central Bank" issue would conflict with the Japanese military yen and would deprive Japanese of advantages to be obtained from Chinese national currency. Japanese probably never would consent to the withdrawal of military yen, an attempt to popularise which has just been launched here.

French authorities have not denied a report published by the **Asahi Shimbun** that the French Concession authorities had decided to enforce payment in military notes for goods purchased from the Japanese.

The probable future of the Hua Hsing Commercial Bank and its small, but well-backed note issue, also was being speculated on this week.

The Hua Hsing Bank (Kako Ginko) or the "China Development Bank," was set up last year by a number of Japanese bankers, working in association with the Nanking Government. Chinese puppets said at that time the Chinese national currency appeared to be going on the rocks.

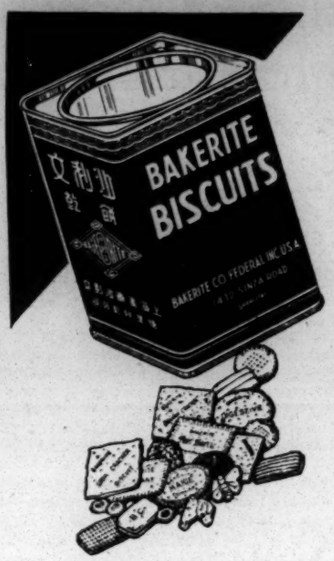
Its avowed purpose was to provide Shanghai and Central China with a dependable note issue which would have a fixed exchange value. The value of the Hua Hsing note was established at 6d., more or less on a par with the quotation then ruling for **Fapi**, and the assurance was given that no notes would be issued unless they had a full 100 per cent backing in foreign exchange.

The Hua Hsing note has found its chief competitor not the Fapi but the military yen. Sponsored by the Japanese military authorities, the military yen has now a circultion of 125 millions in Central China, while the Hua Hsing note issue, with its motto of "slow but sure," has never reached a total of much more than H.H.$6,000,000, and it is now a steadily diminishing quantity.

Hupeh, on the northern bank of the Yangtse River. A later **Sin Wen Pao** report stated that the entire suburb of Shasi has been occupied by the Chinese troops, who are claimed to have cut communication lines along the Siang-yang-Shasi and Hankow-Ichang highways. Serious fighting is now reported to be raging in the area and it is expected that the Chinese troops will soon occupy the city.

In their attack against the Japanese in Nanchang, capital of Kiangsi province, Chinese troops were also reported to be making important progress by pushing toward Nanchang from three sides. One flank aiming at Anyi, strategic city northwest of Nanchang was reported to have reached Wanchiapu already while troops south-east of Nanchang were reported to be crossing the Fu River to push forward toward Nanchang. Another column of the Chinese forces was pushing eastward from Fengsin, while still another column reached Wansoukung, southwest of Nanchang.

Japanese air activities last week were centered mostly on their evauated towns and cities such as Nanning and Yamchow, but no serious damage was reported. Japanese reports, however, claimed that Japanese aircraft raided the Kunming aerodrome on November 15.



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New Japanese Violation Of Bus Franchise Looms

Shanghai Japanese press reported last week that the Central China Urban Bus Company, Japanese-sponsored utility company operating in the northern parts of the Settlement, sought to extend its service by opening a bus line from Hongkew to Nantao.

The only possible route for such a service would be along the Bund, which would constitute a further infringement of the Central China Bus Company's franchise, which already has been violated in Hongkew.

The Japanese papers declared that the Settlement and French Concession authorities were in favor of the opening of a new bus line to Nantao.

An official of the Shanghai Municipal Council, however, told the Shanghai Evening Post that the Council had not received any application for the formation of such a route.

The Central China Urban Bus Company operates a fleet of 230 buses in the northern part of the Settlement for which it never has paid license fees.

The Japanese-sponsored bus company at present monopolizes all routes in the northern areas formerly serviced by the China General Omnibus Company and the Shanghai Tramway Company, both of which obtained special franchises from the Council and today continue to pay full license fees.

Apart from the fact that not one of the Japanese buses at present pays license fees, none of the drivers of the buses carries S.M.P. driving permits.

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Chinese Arbitration Law Upheld in Washington Court; Meyerink, Company Win Case Against Metal Dealers

Probably the first occasion on which the legality of Chinese arbitration rulings was argued and upheld in a Washington Court was concluded before Judge Malcolm Douglas and a jury last month, when the plaintiffs, the Shanghai firm of Messrs. Meyerink and Company (H. Tiefenbacher and H.M.H. Tiefenbacher) were awarded judgment against Dulien Steel Products, Inc., of Washington State.

The plaintiff, Mr. Tiefenbacher, as a German subject resident in Shanghai, is answerable under Chinese law, and in bringing a claim against the defendant company for breach of contract, it was held that the defendant company was bound by a clause in the contract, agreeing to submit any disputes to arbitration according to Chinese custom.

It was stated that Mr. Tiefenbacher by mail and cable entered into a contract with Dulien Steel Products for the delivery during 1937 of a quantity of steel plates, the first shipment of which Mr. Tiefenbacher refused as not in accordance with the specifications of the contract. At this, it was stated, Dulien Steel Products withheld further shipments, although a portion of the plates meanwhile had been resold by Mr. Tiefenbacher.

Mr. Tiefenbacher based his claim on an agreement between his firm and the defendents that "all disputes that cannot be settled amicably are to be disposed of by arbitration in Shanghai through the Shanghai Metal Merchants' Association." It was established that Dulien Steel had agreed to this condition in a letter replaying to one sent by Mr. Tiefenbacher, and an impasse having been reached, the latter invoked the condition as a contract for arbitration and proceeded under the rules of the Shanghai Metal Merchants' Association to demand its performance.

Notice Served On Firm

Notice of hearing before a board of arbitration was served on Dulien Steel Products in ample time for the firm to appear, it was declared, but the notice having been ignored, arbitration was proceeded with in the defendant's absence. After three hearings, the arbitrators found in favor of Mr. Tiefenbacher and awarded him the full amount of his claim, $18,616.08, with interest and arbitration fees.

Under Chinese law, it was held, an award by arbitration had the force and effect of a judgment, but as Dulien Steel Products were domiciled in Washington State, the judgment had to be regarded as a foreign one which could be enforced only by suit begun by personal service. In these circumstances suit was brought before the Superior Court of King Country, where judgment was given in favor of Mr. Tiefenbacher.

In bringing suit, Mr. Tiefenbacher sought expert opinion from Judge Lobingier, who presided for ten years over the American Extraterritorial Court in China. Judge Lobingier's opinion was given in the form of a deposition, to which Judge Malcolm Douglas listened intently and with evident interest when it was read before the Court in Washington.

Chinese Common Law

In his deposition, Judge Lobingier explained that it was a common practice for business concerns in China, both foreign and Chinese, to operate under names different from those of the one or more individuals who composed them. Chinese common law on arbitration, he observed, was of great antiquity and "quite as effective as if expressed in statutes....arbitration is intimately connected with the **hong**, or trade guild organization which the Chinese have had for well over 1000 years and probably for 2000 years or even more."

Authority was quoted by Judge Lobingier to infer that each guild made its own legally accepted rules, which accounted for the relative meagerness of Chinese Statutory Law on the subject of arbitration. The Chinese Civil Code of 1930 recognized arbitration by specifying that authority required of a mandatory agent to submit a dispute to arbitration, and Article 1 of the Code added that in civil matters that" if there is no provision of law applicable to a case it shall be decided according to customs,"...."when it is not contrary to public order and good morals." (Article II).

After giving numerous precedents in support of his opinion, Judge Lobingier held that the Shanghai Metal Merchants' Association came within the meaning of the word **hong**, and that the arbitration proceedings had been carried out according to Chinese law. Such arbitration, he continued, had been conducted according to a contract which in his opinion under the well settled rule of Private International Law was governed by the **lex solutionis**, the law of the place of performance, which was China.

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Szechuen To Expand Tung Oil Industry In Spring

Next Spring a large-scale expansion of Szechuan's tung oil industry will be undertaken in accordance with the Five-Year Plan, officials in Chungking told a Havas Correspondent. Eighteen million new trees are to be planted within the next five years, which will give the province a total of 56,000,000 trees capable of producing 1,000,000 piculs of oil annually. Five new extension stations will be created with the financial assistance of the Foreign Trade Commission. The latter will establish the necessary oil cracking plants.

Senior Provincial Government Posts Go To General Chang Chun And Ku Chen-lun

Aiming at the progressive strengthening and development of provincial political structures and the specialization of personalities in their particular administrative fields, two major political appointments were announced in Free China last week, when General Chang Chun went to the post of Chairman of the Szechuan Provincial Government, while Mr. Kuo Cheng-lun was made Chairman of the Kansu Provincial Government.

Gen. Chang Chun

General Chang Chun, Secretary-General of the Supreme Defense Council and former Foreign Minister, formally assumed his new post last Monday in succession to Generalissimo Chiang Kai-shek. The Generalissimo had vacated the post partly owing to the overwhelming demands of national military and political business on his time and also partly due to the fact that, according to reports, he believed his presence in the provincial administration was no longer necessitated by party friction in the province.

General Chang, whose major political achievements began with his appointment as Mayor of Shanghai from 1929 to 1931 and continued when he was made Governor of Hupeh Province from 1933 to 1935, is well versed in provincial administration and, further-more, enjoys the complete confidence of the Generalissimo. The fact that General Chang is a native of Szechuan further provides him with a basic understanding of the needs of the province.

As an attendent of the Paoting Military Academy, General Chang studied at the Japanese Military Officers' College in his early years. He returned to China in 1910 in company with Generalissimo Chiang. Joining the Northern Punitive Expedition in 1926, General Chang was appointed chief adviser to Generalissimo Chiang following the occupation of Nanking, being then also a member of the military council of the National Government.

Among the important posts General Chang has held, he was Vice-Minister of War in Nanking and concurrently director-general of the Shanghai Arsenal in 1928. He was also a member of the Central Executive Committee of Kuomintang, and Secretary-General of the Central Political Council in 1937. Vice-President of the Executive Yuan since 1938, he is now concurrently Secretary-General of the Supreme National Defense Council and of the Spiritual Mobilization Committee.

Of similar significance was the mandate issued by the Chungking Government on November 15 to the effect that General Kuo Cheng-lun, Commander of the Gendarmerie Headquarters in Chengtu, had been appointed member and concurrently Chairman of the Kansu Provincial Government to replace General Chu Shao-liang who, it was revealed, had resigned on the grounds he was too busily engaged to handle both the military and political affairs of the province. General Chu is henceforth expected to devote his entire attention to military duties.

A graduate of the Tokyo Cadets' School in 1927, General Kuo proved a brilliant army officer. He was Commander of the First Division, Nationalist 40th Army from 1928 to 1931 and Garrison Commander in Nanning in 1932. Made Acting Mayor of Nanking, he was later reappointed Garrison Commander of Nanking in 1932.

With his resignation as Provincial Chairman, General Kuo was relieved of his duties as Commander of Chengtu Gendarmerie Headquarters, which post, according to **Kuo Min**, is being filled by Lieut.-General Ho Kuo-kwang. General Ho, according to the news agency, is being transferred from his post as Director of the Chengtu Provisional Office of the President of the Military Affairs Commission. General Ho will be concurrently Deputy Commander-in-Chief of the Chungking Garrison Headquarters.

Concession Prosecutors Resign En Masse

Despite Nanking's report claiming that the two Frenchtown tribunals had been functiong "smoothly and regularly" since their transfer to the Nanking regime on November 8, events turned out lately are rather contradictory to Nanking's optimism, as the four Municipal Advocates connected with the Second in their resignations on the afternoon Special District Court formally handed of November 18.

The four Municipal Advocates who had not appeared at the tribunal since its cession to the Nanking regime were Messrs. Ku Shau-shi, Fei Chi-ching, Yao Shao-di, Yuan Chia-huang. It was learned that three new Municipal Advocates, given their names as Ma Ping-hsiung, Han Wu-fong and Chen Hai-seng, have been appointed in their place. Whether the new appointees in their place. Whether the new appointees will be able to function as effectively as usual remain to be seen, bua whatever the outcome may be, it is a matter of certainly that all decisions handed down by these courts while under the Nanking Regime will be considered null and void by the Chinese National Government in Chungking who have officially ordered the suspension of the exercise of the functions by the two tribunals.

It was also learned that "Judge" Sun Shao-kong, Nanking appointed President of the Second Special Court, has decreed that all old cases not completed at the time of the transfer must be setled within a month, but so far registered lawyers of hte Shanghai Lawyer's Association have been failing to make their presence in the court, they have, on the contrary, advised their clients to withold their legal disputes pending the final settlement of the presen illegal status.

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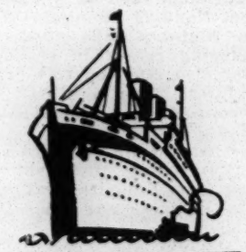

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

October 28

Chinese forces retook Nanning, former Kwangsi capital, which had been in Japanese hands since November 24, 1939. The Commander-in-chief of the Japanese Expeditionary Forces in South China, Lieut.-General Jun Uchiroku, announced that the Japanese forces were evacuating Nanning "on their own initiative."

Chinese military authorities in Chungking denied a report that Chinese and French forces clashed on the Indo-China border.

Factories in and around Tokyo decided to close their plants one day per week in order to avoid a repetition of last year's power shortage.

Gen. Nobuyuki Abe, Japan's envoy at Nanking, returned to Tokyo "to make important recommendations to the Government regarding efforts for setting the China affair," the Tokyo **Nichi-Nichi** reported.

Kunming and Chengtu were again subjected to Japanese aerial bombing.

***

October 29

Following the recapture of Nanning, Chinese forces claimed to have reoccupied Lungchow, Mingkian and Suilu, all strategic towns. Chinese troops were said yesterday to be pursuing Japanese soldiers as they fell back toward Fenghsiang, Chennankwan and Ningming, and west from Nanning along the Nanning-Yamchow highway. Shaoshing, famous wine-producing center in eastern Chekiang, was also reported retaken by the Chinese forces after a severe engagement, according to a Chinese military communique.

A passenger train in which many civilians, including foreigners, were evacuating from Kunming, was machine-gunned by Japanese warplanes on October 27.

Gen. Nobuyuki Abe, special Japanese envoy to Nanking, explained to Prince Konoye, Japanese premier, developments in negotiations between the Japanese and Mr. Wang Ching-wei's regime.

Washington circles believed Japan was anxious to find a way out of the China war, either because she desired to transfer her adventure to the Indo-China peninsula, or because the firmness of the United States dictated concentration of remaining Japanese strength in places other than Central China.

Japanese claimed to have destroyed a bridge spanning the Lu Kiang river to the west of Mekong, thus stopping transport via the Burma Road.

A Japanese drive on Kunming was anticipated in Chungking, although it appeared the Japanese were temporarily delaying their southward expansion program in view of the firm attitude shown by Britain and the United States.

***

October 30

Another Sino-American China National Aviation Corporation passenger plane was machine-gunned and set on fire by five Japanese warplanes near Kunming yesterday, causing the death of Mr. W. C. "Foxy" Kent, American pilot, and six Chinese passengers, the C.N.A.C. announced. Riddled with Japanese machine-gun bullets, the plane crashed at Changyi, 120 kilometers north-east of Kunming.

Complete destruction of all bridges spanning the Mekong River was again claimed by Captain Kankei Chudo, chief of the Japanese Naval Mission to Indo-China, during an interview with the Japanese press in Tokyo.

The **Washington Evening Star**, in an editorial yesterday, said that the Japanese withdrawal from Nanning denoted China had the power to harass and drive Japanese from worthwhile positions.

The Japanese and French authorities in Indo-China announced the signature of a railway pact, permitting Japanese troops to travel by Indo-China railways.

Chinese open cities attacked by the Japanese air force suffered a total of 6.217 air raids from the beginning of the conflict to the end of 1939, the National Aeronautical affairs commission announced. During this period the Japanese planes dropped 119,000 bombs, resulting in 51,601 civilians killed, and 65,826 wounded, 56,000 houses destroyed, and damage estimated at more than $1,500,000,000.

***

October 31

Stating that the Japanese abandonment of Nanning was due mainly to Chinese Army pressure, the Chinese military spokesman disclosed that Chinese forces took several hundred prisoners among the retreating Japanese troops. The total strength of the Japanese forces evacuating south Kwangsi was estimated at two-and-a-half divisions. A Central News Agency report said that Lungchow pass and two strategic points further south of Shanyu and Sichang were also recaptured by the Chinese forces. Reports were widely circulated in Chungking that the Japanese were withdrawing downriver from Ichang, where a big fire was said to be raging.

Mr. T. V. Soong, Chairman of the Board of the Bank of China, was said to be seeking a formal Sino-American alliance, a **Domei** report from Washington stated.

Chinese tung oil was going to U.S. through the Burma Road under the supervision of Mr. K. P. Chen, Chairman of the Chinese Foreign Commission, to fulfil the terms of the first U.S. loan, it was announced.

Despite the Japanese air attack, the CNAC declared its determination to maintain passenger and mail services between Chungking, Hongkong and Kunming.

Recent meetings between Premier Prince Konoye and Gen. N. Abe and another meeting to be held soon with the Minister of Commerce, Mr. Ichizo Kobayashi, were artributed by the **Kokumin Shimbun** to be likely to inaugurate a new turn in the Government's efforts to settle the China affair and "establish a sphere of common prosperity in Greater East Asia."

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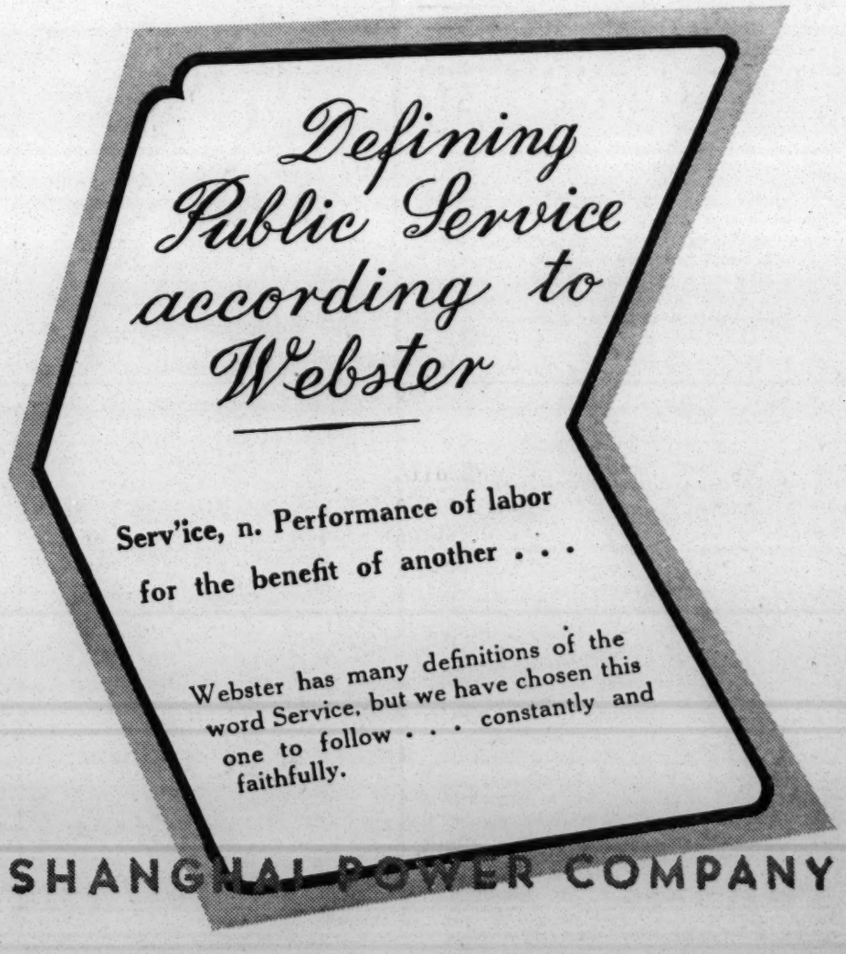
November 1

Reports in the Tokyo **Nichi Nichi Shimbun** alleging that the United States was strengthening Manila as an advance base for war against Japan were bluntly discredited by The Japanese Foreign Office spokeman, Mr. Yakichiro Suma,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who requested the Japanese Government to remain calm at this juncture.

Informed circles in Shanghai lent support yesterday to Japanese reports that Mr. Chen Kung-po, President of the Legislative Yuan of the Nanking regime, would shortly be appointed Mayor of the City Government of Greater Shanghai to succeed the late Mr. Fu Siao-en.

Chinese troops were inflicting 40,000 casualties monthly on Japanese forces in the Sino-Japanese war, Dr. Lin Yu-tang, noted author, said in New York yesterday.

The spokesman of the Chinese Foreign Office revealed he had received information that new talks concerning loans were proceeding between Mr. T. V. Soong, President of the Bank of China, and United States authorities.

The general index of the cost of living in Shanghai reached 524.43, as against 481.66 in September this year. The purchasing power of the Chinese dollar, as a result, is now reduced to 19.07 cents of its 1936 value, according to a report issued by the Shanghai Municipal Council.

Commenting on Mr. Cordell Hull's speech calling for more aid for Britain and China and lashing out at totalitarian Powers for spreading wars, the **Nichi Nichi** assailed the U.S. State Secretary because of "his failure to consider the root of the causes" and the "force of circumstances" which compelled Japan's actions on the Chinese continent. The paper charged at the mean time that American policy toward Japan and Far East must be held partly responsible for Japan's actions in China.

The New Japanese Ambassador to Moscow, Lieut.-Gen. Y. Tatekawa, was reported to have met the Soviet Foreign Commissar, M. V. Molotov yesterday.

November 2

The province of Kwangsi has now been cleared of Japanese troops with the exception of Pinghsiang. Over 40,000 Japanese troops withdrew from Fongshing on October 31. Japanese forces at Chennankwan were also reported evacuating.

Nanning, which was recaptured by the Chinese on October 29, was subjected to a series of intensive raids by Japanese planes yesterday. The Japanese planes were said to have concentrated their fire on the waterworks and a power plant which they left intact when they withdrew from the city.

Chinese forces, including both regulars and irregulars, were alleged to have attacked a French outpost at Phobang.

Unconfirmed reports of fires in the Hankow Headquarters of the Central China Japanese Army were received by Communication circles in Chungking.

Satisfied at the report that Japan had been forced to withdraw from Kwangsi and Ichang, Far Eastern observers in America considered the move possibly was the first sign that the three years of the Sino-Japanese war were beginning to tell on Japan.

A srike among Chinese members of the British police at Tientsin was reported to have been settled today.

The Foreign Minister, Mr. Y. Matsuoka, said he was at a loss to understand why the United States Government should have advised the evacuation of Americans from the Far East.

***

November 3

Chinese troops re-occupied Pinghsiang, 40 miles south of Lungchow on October 31, an official announcement declared in Chungking. The Japanese retreated towards Chennankwan. Chinese troops operating on the Yamchow-Hsiaotung highway were reported to be pressing Japanese troops evacuating from Yamchow in immediate vicinity of the city. Chinese troops who recaptured Shaoshing and Chuki were reported by the **Shun Pao** to have regained all postions which they held prior to the Japanese offensive launched in that province recently. Chinese reports from Chekiang further stated that Chinese troops were still chasing the Japanese after occuping Shihpu, and were nearing Siaoshan.

Six European members of the Shanghai Settlement police force, one Japanese and a number of Chinese were held at Japanese Gendarmerie Headquarters, after answering an urgent armed robbery alarm turned in from Chao Feng Vila, lane 37, Brenan Road.

The **Hsin Hua Jih Pao,** official organ of the Chinese Communist Party, urged an early release of the Indian leader, Pandit Jawaharlal Nehru.

The United States presidential campaign was Japan's "God Given chance" to secure command of the Pacific, the **Kokumin** newspaper says.

Three hundred and twenty-five Americans, mostly women and children from Shanghai, quit Shanghai for United States on the firsts U.S. evacuation ship, the Matson liner Monterey.

***

November 4

A firm Far Eastern policy, including the vigorous defense of American rights and more aid to China would always be adopted by the U. S. Government, regardless whether Mr. Franklin D. Roosevelt or Mr. Wendell L. Willkie was be the victorious candidate, according to indications on the eve of Presidential election in Washington.

Mr. Willkie advocated during his campaign continuance of economic aid to assure a "free, strong and democratically progressive China." Mr. Willkie proposed acquisition and development of new air bases in the Pacific "for protection of American interest in that ocean," and he also insited upon greater aid to Great Britain.

The Manchukuo Government announced its new diplomatic policy "to help unite Japan and Russia due to the new international situation arising from the signing of the Tripartite Pact and developments in Soviet Russian-Japanese relations."

Japanese claimed Jehol might be a big oil center, as the presence of oil fields in an area near Shangfanchen Station southwest of Chengte, was declared to have been confirmed.

The six Europeans, one Japanese and four Chinese detectives were released yesterday by the Japanese after negotiation between the S.M.P. and the Japanese authorities.

Mr. Isao Kawada, Finance Minister, will shift Japan's foreign trade from the dollar and sterling blocs to the yen and Italo-German Axis power blocs, according to the **Yomiuri Shimbun.**

***

November 5

A 10-year plan for coordinated economic development in Japan, Manchukuo and China, aimed at setting up a new economic order in East Asia under Japan's leadership, was announced by the Japanese Cabinet Information Bureau.

The N.E.I. Government was reported to have rejected Japanese attempts to obtain economic concessions from the islands.

A Japanese military officer, Accountant Lieutenant Hisao Nakamura, was shot by an unidentified assassin while walking along North Kiangse Road, in the Japanese defense zone, yesterday.

A huge fire was reported to have taken place in Canton, according to **Reuter.**

***

November 6

President Franklin D. Roosevelt won his third term in office by scoring an overwhelming majority against his Republican oponent Mr. Wendell L. Willkie. His win was interpreted by

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American foreign experts as strengthening the President's leadership in the Far East as well as Europe. Tokyo, Rome and Berlin were said to be disappointed over President Roosevelt's success, while Chungking was jubilant.

Mr. Chen Kung-po was expected to assume his Mayoral position in the "Special Shanghai Municipality" on November 15. Meanwhile, he will concurrently hold his present position as "President of the Legislative Yuan" of the Nanking Puppet Regime.

The **Kokumin Shimbun** warned the Japanese Government not to pay too great a price to the Soviets in the recent Soviet-Japanese negotiations between M. V. Molotov, Soviet Premier and Foreign Commissar and Lieut.-Gen. Y. Tatekawa, the Japanese Ambassador, "because Japan aims at a batterment of relations with the Soviet Union and nothing else."

A two-hour conference for the discussion of various problems relating to the recent negotiations at Nanking "for the readjustment of Sino-Japanese relations and the China Incident" was held at the Japanese Premier's official residence, with Premier Prince Fumimaro Konoye and four other high officials in attendance. The Gaimusho spokesman, Mr. Y. Suma, called for change in U. S. foreign policy, regardless of the outcome of the presidential election.

Chinese forces claimed to have recaptured Chennankwan, important pass along the China-Indo-China border, for the second time.

Chungking Organizing Labor Service Corps

Seventy thousand workers in Chungking will be organized into a Labor Service Corps by the Social Affairs Board, according to Havas, French news agency.

Gestapo Threat Stops Shanghai Jewish Play

The production of a locally written anti-Nazi play, "The Masks Fall," acted in German by Jewish refugees, was cancelled last weekend through fear that Jews in Germany would suffer reprisals, according to the **Shanghai Evening Post.**

The play was not performed as had been scheduled, although two performances were held during the previous week at the British Press Attache's Hall on The Bund, Two additional showings for this weekend have also been cancelled.

The Jewish emigre committee declared that the reason for the failure of the show to take place on Saturday and last night was due to "the illness of one of the principal actors."

It was learned, however, that a member of the German Consulate in Shanghai telephoned to Paul Komor, of the Jewish emigre committee, and "requested" that further performances of the play should be cancelled.

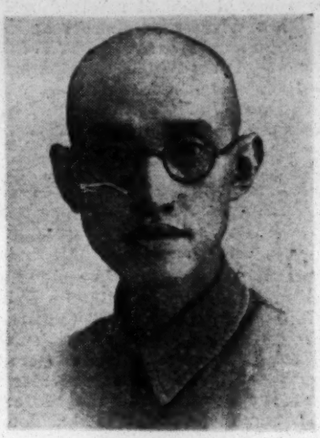
The German official, it was understood, also indicated that unless the play was stopped reprisals would be taken against Jews living in Germany and also against Jewish emigres here.

Questioned on the telephone conversation with the German official, Komor declared to the Post that he did not wish to deny or confirm it, adding that he was not the press spokesman for the Jewish emigre committee and that it would be necessary to speak to Ellis Hayim.

Ellis Hayim, Chairman of the Jewish emigre committee, when questioned by the Post, would not deny that a German official had spoken to Komor.

Who's Who in China

Tang Shen-tse, educator; born in Kwanyang, Kwangsi, 1896; graduated from the National Higher Teachers' School of Nanking, 1921; teacher, Provincial Teachers' School for Girls of Szechwan, 1923, president of the same school, 1926; teacher, Middle School of the National South-eastern University, 1924; editor, Chung Hwa Book Company, Shanghai, 1925; head, the Editorial Staff of the Educational Bureau of the



唐 現之
Tang Shen-tse

Kwangsi Provincial Government, 1927; assistant professor, Department of Arts, National Sun Yat-sen University, 1929; head, the Preparatory Committee of the Kwangsi Provincial Teachers' College, 1932; Professor, Provincial Educational College of Hupeh, 1933; tutor, Shangtung Research College for Rural Reconstruction, 1934; educational adviser, Government of Kwangsi Province, 1935-now; now also member of the Provincial Political Council of Kwangsi, member of the Research Committee of Kwangsi Reconstruction, president of the Kweiling Teachers' School in Kwangsi; adress: Kweiling Teachers' School, Kwelling, Kwangsi.

Japanese Budget Hits Y5,000,000,000 For Year

Budget estimates for the next fiscal year in Japan will reach Yen 5,000,000,000 an increase of Yen 1,300,000,000 over the Yen 3,700,000,000 budget for the present year, the Tokyo **Asahi** believes.

The finance Ministery has already started compiling budget estimates for the 1941-42 fiscal year, while the Accounting Bureau has roughly fixed the amount of the budget appropriations for the various state Ministeries, with the exception of those for the Ministries of War and Navy, the **Asahi** said.

In fixing the amount of budget estimates, the Accounting Bureau effected a drastic reduction, cutting the teoal amount of estimates requested by the Ministries about Yen 100,000,000 or 50% per cent of the original figure, according to **Asahi.**

It was considered inevitable that the budget estimates for the next fiscal year would be increased to some extent, since most of the newly-demanded appropriations include those required for the execution of ministerial policies in conformity with the national policies enuncated by the Government last August the **Asahi** declared.

Budget appropriations for the Ministries of War and Navy will be fixed after November 25 it was reported.

Men and Events

A son, Michael Kerry, was born to Mr. and Mrs. A. R. Lusey at the Country Hospital, Shanghai, on Nov. 16 Mr. Lusey is general manager of Press Wireless, Inc., Shanghai.

*

The **Havas News Agency** has been sold to the Vichy Government, according to **United Press** report from Vichy, dated Nov. 13. The price paid the stockholders was 25,000,000 francs. The sale was approved by a stockholders meeting in Paris.

*

Alfred E. Downs, member of the staff of the **Japan Advertiser**, American newspaper in Tokyo, which was purchased by the Japanese-owned **Japan Times** last month, has arrived in Shanghai where he will serve as correspondent for the **London Express**. Mr. Downs served as correspondent for the **Express** in Tokyo.

*

Mr. and Mrs. A. E. Schumacher were hosts to several hundred guests at a reception and cocktail party at the new quarters of the American Women's Club at No. 9 Rue Francis Garnier, French Concession. The guests included foreign and municipal consular officials and Chinese residents of Shanghai. Mr. Schumacher is 2nd Vice-President and Manager of the Chase Bank.

*

Gen. Mao Fang-tsu, who occupies an important position in the Chinese Air Service, arrived at San Francisco by Trans-Pacific Clipper plane on Nov. 15. He was accompanied by Col. Claire Chennault, described as military adviser to the Chinese Government, who stated they planned to fly to Washington for the purpose of discussing the problem of increased American aid to China.

*

Wilbur Judd, Associate Director of American Red Cross Relief in China, received a cable last week from the Red Cross headquarters in Washington stating that 6,000 boxes of toys for Chinese children were being shipped to Shanghai for Christmas. The toys, according to the report, were donated by the American Red Cross.

*

According to a report from Chungking by the German **Transocean** news service, an American incorporated firm, known as the American Transport Company, has been formed for the purpose of transporting war materials on the Burma Road. Aside from the new American concern there are two British companies, and one Chinese concern, the China National Transport Corporation, operating on the road.

*

Charles Hayward, Jr., 25, of Kansas City, Mo. shot and killed himself with a pistol in the office of the American Military Attache in Peiping on the night of Nov. 10. He left a note stating he was tired of life. He joined the U. S. Marines in August, 1938, following graduation from the University of Kansas. He was sent to Peiping, but resigned from the Marines in August and became a clerk.

*

Dr. Hu Shih, Chinese Ambassador, was the chief speaker at the gala "Bowl-of-Rice' dinner held in New York on Nov. 1. The dinner in New York initiated a nation-wide series of dinners, staged for the purpose of raising funds for civilian refugees in China. Miss Anna May Wong, well known Chinese movie actress, was mistress of ceremonies at the function and other speakers included Dr. Lin Yu-tang, famous Chinese writer, Miss Dorothy Thompson, well known columnist and M. Henri Bernstin, exiled French playwright.

An average of 100 tons of Szechuen wood oil is being shipped from Chungking to Rangoon over the Burma Road daily, according to a recent report from Chungking stating that this represents a considerable increase over shipments in September. The oil is sold exclusively to the United Staets, where it is used in the paint and varnish trade.

*

P. M. Streit, connected with the Shanghai Telephone Company, brought a claim in U. S. Court on Nov. 7 for US$2,000 against the American Oriental Finance Corporation, in liquidation. Mr. Streit was represented by N. F. Allman and J. B. Davies of the legal firm of Allman, Davies and Kopps, while the defendant was represented by H. G. Nelson of Sellett and Nelson. The case was postponed for further investigation by Judge Milton J. Helmick.

*

The German Ambassador to Tokyo, Gen. Eugen Ott and a number of Japanese notables, participated on Nov. 16 in cornerstone laying ceremonies for a German-Japanese Hall, or building which will be occupied by the Japan-German Society of Culture and other Japanese-Nazi organizations. Japanese attending the function included Marquis Toshitada Okubo, Marquis Saburo Inouye, Count Yoshinori Hutara. The new building is located in Kojimachi ward and is scheduled to be completed in 12 months.

*

George Watt Gibb, General Director of the China Inland Mission at Shanghai, died at the Mission Hospital on Tuesday evening, Nov. 12, at the age of 71 years. Funeral services, which were attended by a large number of friends of the deceased, were held at the Mission Memorial Hall on Sinza Road, with burial at Bubbling Well Cemetery. Tributes were paid to the service of Mr. Gibbs by A. K. Macpherson, D. E. Hoste, R. W. Matthews, E. Weller and F. H. Dreyer. He is survived by Mrs. Gibb.

The Federal Maritime Commission has announced the charter of the American freighter, Jefferson Myers, to carry South American cargoes to Vladivostok. The ship is owned by the States Steamship Company and will be taken over by the Soviet Amtorg Trading Corporation, official agency which has chartered 21 other American vessels, chiefly for transporting cargoes to Vladivostok from U. S. Pacific ports.

*

A dispatch by **United Press** from Hongkong last week relieved Shanghai movie fans of two major worries: The famous Butterfly Wu, idol of the Chinese movies, is neither dead nor is she an expectant mother. A report had been circulated in Chungking, causing considerable excitement, that Butterfly Wu had died in child-birth. Butterfly Wu was married to a Shanghai banker several years ago and has been residing quietly at Hongkong since the beginning of the Japanese invasion.

*

Major W. S. Nathan, C.M.G., former general manager of the Kailin Mining Administration at Tientsin and Tangshan, died in England on Oct. 23. He was well known in North China and once served on the British Municipal Council at Tientsin. Major Nathan was responsible for the signing of an agreement with Japanese military authorities in 1937, whereby the bulk of the coal produced by the Kailan Administration was diverted from Shanghai to the industries or Japan. The agreement also provided for the creation of a joint Japanese-British corporation, which was given a monopoly of sales of Kailan coal in Japanese-occupied territory. Major Nathan's deal caused serious indignation in Chinese Nationalist circles, but Kailan officials alleged the signing of the agreement prevented the Japanese military from seizing the British company, largest coal-producing concern in the country.

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Robert W. Barnett, former resident of Shanghai, who is now connected with the Institute of Pacific Relations, was scheduled to speak on the subject, "Isolationism in American Universities in 1940," at a tiffin meeting of the American University Club at the American Club, on Friday, Nov. 22.

*

Sir John Grieg Latham, former Chief Justice of the Commonwealth of Australia, who has been appointed first Australian Minister to Japan, has sailed from Sidney for Japan to assume his new post, according to **Domei**, official Japanese news agency.

*

General Wu Te-chen, former Mayor of Shanghai and Minister of Overseas Affairs, was in Singapore last week on his tour of South Sea Islands to inspect the conditions of the overseas Chinese. General Wu told the press that British material and moral assistance to China would strengthen the relations between the two countries.

*

Chinese workers employed by the Asiatic Petroleum Company at Tientsin went on strike on Nov. 19. Eight demands presented to the Company were concerned with better pay and treatment. The Company made a temporary arrangement with Standard-Vacuum Company to handle deliveries to customers.

*

Five employes of the Soviet Ukranian Wine Trust were sentenced to death for embezzlement of funds, according to Transocean message from Moscow on Nov. 18. Five others received a sentences of 10 years imprisonment and many others shorter sentences, stated the report.

*

The Japanese newspaper **Tairiku Shimpo** reported on Nov. 17 that the Anglo-Japanese committee having charge of the silver which had been stored in the British Concession had decided to spend £100,000, or $1,500,000 for the purchase of Australian flour. According to the original decision, the flour will be donated to needy persons in the Tientsin area.

*

Chang Kia-ngau, Minister of Communications at Chungking, has returned to that city following an extensive trip through China's northwestern provinces. He said he would recommend improvements in communications in Shensi, Kansu, Chinghai and Honan. He also planned to urge the early opening of coal mines in the northwest in order to relieve the coal shortage.

*

Hidezo Sato, professor in the medical department of Tokyo Imperial University, has been appointed President of the Shanghai Science Institute in succession to Dr. Shinzo Shinio, who died recently. Takashi Mori, head of the culture department of the Central China Liaison Office of the Asia Development Board, has served as acting president of the Institute.

*

Baron von Plessen, German Consul, arrived at Hanoi, French Indo-China, on Saturday, Nov. 16, on his way to Chungking, where he will take charge of the German Embassy. Baron von Plessen was interned for several months in the Netherlands East Indies, according to **Domei** report.

*

The U. S. Maritime Commission at Washington on Nov. 20, charged nine steamship companies, six of them Japanese and three foreign lines, the American President Lines, Mollers' Line and the Wilhelmsen Line, with violation of maritime regulations in connection with shipments of Japanese raw silk. Five other shipping concerns, also operating in the Japan-America trade, were also investigated, stated the report. It was claimed that the companies had been shipping cargoes of raw silk, which were disguised as raw cotton.

Caesar Castello, U. S. Vice-Consul at Budapest, died of heart failure on Nov. 19, according to a telegram by **Transocean.** Mr. Costello was appointed to the post a year ago.

*

Japanese military authorities, on Nov. legedly concerned in the theft of tele-18, publicly beheaded four Chinese, alphone and telegraph wire in Japanese-occupied territory in the vicinity of the foreign settlements. The beheadings took place on a large vacant lot at the intersection of Keswick and Brenan Roads at 4 o'clock, in the presence of a large crowd of Chinese. Following the execution a Japanese military officer delivered an address in the Chinese language, calling attention to the evil of stealing wire from the Japanese Army and announcing that similar punishment would be given to all Chinese wire thieves in future.

*

Two important hospitals in West China were seriously damaged by Japanese bombing planes on Oct. 12 and Oct. 16. The hospital bombed on Oct. 12 was the French Hospital and Orphanage and Junior Middle School at Chengtu. Eight bombs, including three duds, were dropped by a squadron of 27 Japanese planes which flew over the buildings. There were 18 French sisters and 12 Chinese nurses in the institution and they managed to move the patients to the country-side so that no one was injured. Some of the patients who were too ill to move, were placed in the basement of the building. The institution was constructed in 1903. Damages were estimated at $100,000. The Syracuse-in-China General Hospital, an institution of the American Methodist Church, at Chungking, was seriously damaged by Japanese bombs on Oct. 16. The main ward of the hospital was badly damaged by a direct hit. Branches of the hospital in other parts of the city had been damaged in previous raids.

The Japanese military authorities at Tientsin issued an order on Nov. 14 forbidding Chinese to attend race meetings at the Tientsin Race Club. Police of the Japanese-sponsored local administration turned away all Chinese who sought to enter the enclosure. They also were warned not to attempt to attend again.

*

The Seventh Day Adventists, well known American religious sect, has decided to withdraw all of its foreign missionaries, excepting two Germans, from Japan, according to **Reuter** report from Tokyo. The new superintendent of the mission will be Pastor Walter Ogura, a Japanese. Missionaries now connected with the Adventists in Japan, will be transferred to other placed in the Orient, according to the report. Dr. Andrew Nelson, mission superintendent in Japan for 22 years, has been appointed President of the Oriental Home Study Institute and secretary of the Department of Education of the Adventists in China.

*

The official **Domei** service issued a report on Wednesday of this week stating that Japanese gendarmes had forced a Chinese firm, with offices in the International Settlement, to disband. The name of the firm was the Chien Hsin Trading Company located in Room 832 Liu Ong Kee Building, 33 Szechuen Road. The Japanese report alleged that the firm was connected with the Chungking Government and had been engaged in purchasing railway equipment, which was shipped to Ningpo for repairing Chekiang railway lines. Officials of the company here included Kao Tsu-hsin and Lai Po-ping. Mr. Kao previously was an engineer with the Chekiang-Kiangsi Railway, stated the report. The Japanese also raided the residences of the men in the French Concession, but they had been warned and had fled from the premises. It was claimed that property seized in the raids was being held "by the Japanese and Shanghai Municipal Council.

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British Indians have contributed the sum of £1,500,000 to London for the purchase of war planes, according to report from Madras. The sum was made up of donations large and small from individuals, princes, native states and the Indian Government. In addition to the sum for the purchase of war planes, the people of India have contributed an additional sum of £500,000 to the Lord Mayor's fund for relief of victims of Nazi air raids.

*

Beverley D. Causey, Jr., son of Mr. and Mrs. Beverley D. Causey of Lester Manor, Virginia, was married on Nov. 15 to Miss Clara Reed MacRae, daughter of the Rev. Cameron F. MacRae, D. D., and the late Mrs. MacRae of Shanghai. The Rev. F. L. Hawks-Pott, D. D., officiated, assisted by Dean Trivett of Holy Trinity Cathedral. Mr. Causey is a member of the faculty of St. John's University. Stephen J. Goddard was best man and the ushers were Walter H. Pott, David G. Posten, George Laycock and T. Foster Teevan. A reception was held at the home of the bride's father at 49 Rue Moliere.

*

Charles Rockwood, Jr., 23 years old, arrived at the home of his parents at Geneva, Illinois, after a dramatic journey of many weeks which started at the town of Yuanling, Hunan Province. Rockwood, who is a recent graduate of Yale University, was engaged in an educational research project at Yuanling, Hunan, under the auspices of Yale-in-China University at Changsha. According to **United Press** Rockwood was stricken with infantile paralysis and after six weeks' treatment was transported overland on a litter for three days to Changsha. From Changsha he was ransported on a C.N.A.C. plane to Hongkong and thence aboard the C.P.R. Express of Asia across the Pacific. He was accompanied by a physician and a nurse, Miss Dorothy Galbraith.

*

The China National Aviation Corporation, Sino-American enterprise which is affiliated with Pan-American Airways and operates in the western and southwestern Chinese provinces, announced on Nov. 16 a general revision of airline schedules. The new schedules provide three trips weekly to Hongkong—on Mondays, Wednesdays and Fridays, aircraft leaving Chungking for Hongkong. On Tuesdays, Thursdays and Saturdays an airliner will leave Hongkong for Chungking. One trip weekly to Rangoon is scheduled, the plane leaving Chungking on Saturdays for Lashio, proceeding to Rangoon the next day. The airplane will leave Rangoon on Mondays on the return trip to Chungking. Three trips weekly are scheduled to Kunming, a plane leaving Chungking on Tuesdays, Thursdays and Saturdays. From Kunming a plane will leave on Mondays, Wednesdays and Fridays for Chungking. Two trips weekly will be made to Chengtu, leaving Chungking on Tuesdays and Thursdays, returning the same day to Chungking.

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Karl J. Eskelund, formerly engaged in newspaper work in Shanghai and Chungking and later in Europe, returned to Shanghai last week with Mrs. Eskelund, who accompanied her husband on his journalistic trip which included Finland, Germany and elsewhere. Mr. and Mrs. Eskelund are visiting with Mr. Eskelund's father, Dr. N. Eskelung, who is a denitist in Shanghai. Young Eskelund represented the **New York Times** while in Europe. In an interview in **The China Press** he said that the Soviet drive into Finland collapsed at the beginning because of faulty organization, inexperienced leadership and poor morale. The Russians were only able to win in the end by resort to ancient Russian military tactics, the "slaughter of Russian troops. He expressed the opinion that Germany was only interested in Russian supplies and was not interested in the Soviet Union as an ally.

*

The American missionaries, the Rev. and Mrs. Alfred Max Bernheim and their son David, who were murdered at Changyi, near Kutsing on the Yunnan-Kweichow border on Nov. 5, were the victims of a gang consisting of some 50 Chinese bandits, according to a report by the American Consulate at Kunming. The report stated the bandits entered the mission compound and fired through the windows of Rev. Bernheim's home. Mrs. Bernheim was killed by one of the first shots and when the little son David ran into the room he also was killed with a shot through his head. Mr. Bernheim was also killed when he rushed into the room. Another child was also wounded but is expected to live. Four other small children, sleeping in an adjoining room escaped injury and are now being cared for by friends of Mr. and Mrs. Bernheim. The house was thoroughly looted, following the murders, according to the U. S. consular report. So far as is known robbery was the sole motive of the attack. The Chinese authorities at Chungking as well as the provincial authorities were deeply concerned over the attack on the missionaries and have promised full assistance in apprehending the bandits. There recently have been two other murders of foreigners in that area, one being a French explorer, M. Louis Lotard, and the other a French Catholic priest, Pere Nussbaum. They were killed by Tibetans on the Tibet-Szechuen border. The U. S. Consular official who investigated the Bernheim murders was S. A. McGeary of the Kunming Consulate.

Ranking officials appointed to positions in the new National Ministry of Social Affairs include the following: Minister of Social Affairs, Ku Cheng-kang; political vice-minister, Hung Lan-yu; administrative vice-minister, Huang Pai-tu, director of mass-organization department, Lu Ching-shih; director of social welfare department, Li Chun-lung; counsellors, Niu Chang-yao, Chang Chien-pai, Li Chung-hsiang, Chu Ching-chih, directors of mass movement, Chao Pan-fu, Chang Ting-hao, Tsao Ming-huang, Yu Chi, and director of cooperative control board, Shou Mien-cheng.

*

The U. S. Supreme Court at Washington, on Nov. 13, denied a petition by the Chinese Consul-General in New York, Yu Tsune-chi, for a review of a lower court's decision permitting a New York publicity company to sue him for US$22,000. It was alleged that the sum was due to the publicity firm, but was diverted by the Consul-General to other purposes. The publicity firm was Carl Boyir and Associates, which sought the US$22,000 on the ground it was part payment of an obligation amounting to US$83,056 owing to the company. The Consul-General sought dismissal of the suit on the ground that it was in fact a case against a friendly government. A New York District Court had granted a dismissal on these grounds, but the Second Circuit Court of Appeals reversed the decision. The case of the merits of the Byoir claim has not yet been held. It was reported many months ago that the Chinese diplomatic authorities made a contract with the Byoir concern to assist in a relief drive, but later cancelled the contract when it, allegedly was discovered that the Byoir Company was also serving as publicity agent for Japan, a fact which Byoir had failed to mention when making the deal with the Chinese authorities. The Byoir Company was later charged with un-American activities in connection with a publicity campaign conducted on behalf of Nazi Germany, but was exonerated by the Dies Committee on the ground the contract was made prior to the outbreak of the European War.

*

Dr. Chao Shih-ching was appointed President of National Tung Chi University by the National Government on Nov. 17. Other appointees announced by Chungking last week include, Chen Tai-chi as director of the examination bureau for higher civil service officials; Hu Tao-wen as special administrative commissioner for the first area of Yunnan; Lin Chung-Chi as special administrative Commissioner in Anhwei; Wang Tsuhsiang as director of the national health department of the National Health Administration; Tan Shao-hua, Minister to Mexico as Special Envoy to the inauguration of the new President of Mexico; Hsu Fu and Ho Yu-shu as directors of the Chekiang and Kweichow food control administrations respectively; Chien Tien-hao as administrative vice-minister of agriculture and afforestation; Wan Kuo-chun as counsellor of the Ministry of Interior; Wang Chih-fu director of the general affairs department, Ministry of Interior; Sun Liang-kung as counsellor of the Control Yuan; Li Tang, director of treasury department, Ministry of Finance; Chang Chia-fang, director of electrical enterprises, Chang Chih-huan, director of economic enterprises and Chang Ching-chien, chief technical expert of the Ministry of Economics; Gen. Ho Kuo-kwang, commander of gendarmerie Headquarters and concurrently vice-commander of Chungking garrison forces; Teng Chi-yu, member of Shantung provincial government committee; Chu Tai-chi, member of the Hupeh provincial government committee; Miao Pei-chang, chairman of the examination committee for selection of magistrates in Hunan province.

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New Books of Interest in the Far East

Far Eastern Roundup

TWIN STARS OF CHINA—By Evans Fordyce Carlson; Dodd, Mead & Co., 331 pages, illustrated with photographs taken by the author, US$3.00.
OUR FUTURE IN ASIA—By Robert Aura Smith; Viking Press, 306 pages, US$3.00.

Each of these books is valuable within the limits it sets for itself, Mr. Smith's as a summary of the Far Eastern situation from the viewpoint of America's "manifest destiny," and Major Carlson's as a splendid piece of reporting of his observations of warfare in the interior of China as a U. S. Marine intelligence officer. No professional journalist, indeed, could give a clearer or more concise picture than Major Carlson does.

Mr. Smith was formerly editor of the Manila Bulletin, and his book concentrates on the southern part of the Far Eastern position of the United States—the area embraced if one sets a pair of compasses, one leg in the center of the South China Sea, and the other extended to the scale of 1,000 miles, and draws a circle. Within the circle are the three most southerly provinces of China, French Indo-China, the Philippines, most of the Netherlands East Indies, British Malaya, Thailand, and part of Burma. Here, says Mr. Smith, "is the battle-ground of America's future in Asia."

He then gives a political and economic sketch of the area encircled from the viewpoint of the United States in relation to Japan, and his definitely anti-isolationist conclusion is: "We have discovered that there is no possibility of our disinterest in what happens in Europe. We hope that we have discovered it in time. We will shortly discover that there is equally no possibility of our disinterest in Asia. Our future as a nation will once more depend, as it has depended in the past, upon our frontiers. We lost our frontier on the Rhine, we lost our frontier on the Somme and the Loire, and we spent the summer of 1940 in terrifying suspense as to whether or not we would lose our frontier defense in the British navy. We still have our frontier in southeastern Asia. We can defend it if we will."

Changed Attitude Seen

The reader may note that between the time Mr. Smith got his book to press and our review of it, there has come clear evidence that America as a nation has avowed definite lack of "possibility of our disinterest in Asia." The date on which the evidence became unmistakably revealed was this past November 5.

Among the many striking things about Major Carlson's book is the revelation of a unique personality for a professional military observer. He not only sees war in its human as well as its strategic aspects, but he manifests the constant questing of a humanist for some answer to the human problems that he constantly sees posed—and it seems that he resigned from the U. S. Marines in clear conviction that his individual duty lay in supporting the cause of China against Japan to a greater extent that was possible in his American official position. Whether or not one agrees with Major Carlson's course, there should be only sympathy with its motivation.

Major Carlson, a Chinese language student, returned to China when the 1937 war in Shanghai was under way, and from here he proceeded into the interior as an observer successively of the Red Eighth Route Army and Chiang Kai-shek's forces. The "twin stars," of course, are those of the Communists and the Kuomintang. Endowed with a liberal attitude rather than intellectual political profundity, Major Carlson deals more with surface than substance, and while one may in the long run be badly fooled in consequence, his views contribute much to the picture of what has gone on—and is going on.

Inpressed By Chu Teh

Major Carlson was greatly impressed with Chu Teh; "he had....the kindliness of a Robert E. Lee, the humility of an Abraham Lincoln, and the tenacity of a U. S. Grant." There is a story of a missionary who inscribed a copy of the Bible to Chu Teh, and he gave the misionary in return a copy of "An Analysis of Fascism."

Mao Tse-tung is also one of Major Carlson's heroes, and the following very shrewd analysis of the war is quoted from him: "Japan has no main direction in her campaign in China. A drive is made here, and another there. Instead of throwing a large force in at the beginning, re-enforcements have been brought in piece-meal. But her greatest mistake has been in the attitude of the army toward the Chinese people. By burning, raping and slaughtering they have enraged the populace and cemented the will to resist."

Generalissimo Chiank Kai-shek also comes in for a share of Major Carlson's admiration, best expressed in the following: "I will not attempt to reconcile the Generalissimo's Christian faith with his action in causing the execution of thousands of people of the Communist persuasion during the civil war, except to point out that down through the ages men have placed varying interpretations on Christian doctrines. There are in America, as well as in other countries, professing Christians who carry on their business relations without regard for either love or compassion, two of the strongest tenets of the Christian faith. There are professing Christians who seem to believe that the capitalistic economic system was annointed by Christ, so violent is their opposition to any who may choose to oppose it. Perhaps Chiang reasoned that commnunism was an evil which justified the use of un-Christian practices to eliminate it. I have known American missionaries who were violent and uncompromising in their denunciation of the Chinese Communist leaders. And yet, I found those same leaders unostentatiously practising Christian doctrines more punctiliously and with greater consistency than many professing Christians of my acquaintance. Ideas sometimes do strange things to the human mind. It is significant, though, that since the Sian experience Chiang Kai-shek has been more mellow and more humanitarian."

One thing emerging from Major Carlson's pages, and ever confirmed since the period with which they deal, is that whatever the ideolgical and other criticisms against either Chinese Red or Kuomintang stars, they are relatively more humane and less blighting of human dignity than the alternative sign of the chrysanthemum—wherefore the Chinese masses fight on with a morale that is as rationally founded as it is heartening to behold.

W. B.

WHERE ARE THE CHINESE LEADERS?

All are familiar with the hegira of millions of people from the coastal regions to the western provinces, but few are familiar with the whereabouts and activities of China's leading governmental, military, commercial and professional leaders who have been forced from their normal jobs and places of residence into the service of national defense or other work in distant places.

Vast Changes Since 1936

The last edition of *Who's Who in China* was published late in 1936, only a few months before the beginning of the Japanese invasion. Aside from a comparatively small number of business and professional men who were not directly affected by the conflict, almost every one else was drawn into the maelstrom. Three classes of public men and women have been greatly affected by the struggle—officials, military men and teachers.

SUPPLEMENT TO WHO'S WHO IN CHINA

This book, often described as the "most useful book in China," has been published biennually for the past twenty years. But it has been found difficult to republish the complete edition under prevailing conditions. Therefore, we have done the next best thing—published a supplement—containing the names, biographies and pictures of some 300 leaders, most of whom are involved in some phase of the war—in the Provincial Governments, the Cabinet or Yuans at Chungking, Diplomatic and Consular Services, Military Service, Party Work or Professional and Business Activities. There also are a considerable number of women in the book.

For those who have a copy of the last standard edition, the Supplement will bring the entire book up-to-date. For those who do not possess a copy of the last (1936) edition, we still have a limited number of copies which will be sold to those sending in their orders at once.

Price of the Supplement, including postage	$ 4.00
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Price of the Supplement abroad, including postage	U.S.$1.50
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THE CHINA WEEKLY REVIEW

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In the United States Court for China

LOPE SARREAL, *Plaintiff*,

vs.

REMEDIOS RONQUILLO SARREAL, *Defendant.*

Cause No. 4546

Civil No. 2425

ORDER

Filed at Shanghai, China,

Nov. 6, 1940.

WILLIAM T. COLLINS
Clerk

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 6th day of November, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 6th day of November, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 1st day of November, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein since 1938, and that defendant's last known address was IMUS, PROVINCE OF CAVITE, PHILIPPINE ISLANDS.

NOW, THEREFORE, it is this 6th day of November, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in The China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 23rd day of November, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 6th day of November, 1940.

MILTON J. HELMICK,
Judge.

Book Reviews

INDIA TODAY—By R. Palme Dutt. Left Book Club Edition. Victor Gollancz Ltd., London, 1940.

Will the present war be the occasion for some large change in India? Twenty years ago many still thought of China in terms of Bland and Backhouse, but a very different China has emerged, and greatly, too, to China's benefit. It may be that all the plannings of constitutional home rule for India will meet with no success just because they are liberal, constitutional, western in spirit. It may be, as Mr. Palme Dutt asserts in the book under review, India Today, that the best political guidance for India will be found in the experience of the Central Asian Republics of the Soviet Union. It is after all the good of the people of India which must be considered. The only question of serious moment is whether one can borrow successfully from the experience of Soviet republics without borrowing their whole communist ideology and practice.

Mr. Dutt approaches the whole subject of India today not from the viewpoint of Anglo-Saxon constitutionalism but from that of Marxian economic interpretation. It was the mid-nineteenth century expansion of capitalism that shattered the traditions of Hinduism by breaking down Indian village economy. But Marx, who was not so ogreish as some have thought, saw a regenerating influence in Britain's part. Britain brought to India (1) more political unity, (2) a native Indian army, (3) a free press, (4) private property in land, (5) an educated class to give leadership. But more important than all these influences, says Mr. Dutt, were the material consequences of the industrial capitalist exploitation of India: that is to say the introduction of all the elements of ultimate revolution. Liberal reforms, encouragement of the National Congress, were only dykes to stem the tide of radical thought. Today the burdens of the Indian peasant, his debts, and dependence on the moneylenders have made peasant unrest advance "at a speed without previous parallel."

The 1935 Constitution has been rejected by the Indian people, says Mr. Dutt, for they see in it—and especially in its federal sections—only a tool for strengthening the British imperialist hold upon India. The Princes will then be "responsible to nobody save their British masters." Under the constitution, 125 out of 375 seats in the Federal Assembly go to nominees of the Princes; only 86 of the 375 "are generally open to election, and these indirectly."

What of Mr. Gandhi? Mr. Dutt, imbued with Marxian thought, has no sympathy with Gandhi's rejection of Western machinery and applied science, with his going back to village industries. Nevertheless he says of Gandhi: "No other leader could have bridged the gap, during this transitional period, between the actual bourgeois direction of the national movement and the awakening but not yet conscious masses. Both for good and for evil Gandhi achieved this, and led the movement, even appearing to create it. This role only comes to an end as the masses begin to reach clear consciousness of their own interests, and the actual class forces and class relations begin to stand out clear in the Indian scene, without need of mythological concealments."

We are clearly now in the realm of the dialectical materialism. Let us grant that there is no escape from the industrial revolution, and that India's final solution can be achieved "only on socialist lines." Mr. Dutt's point is that socialism for India is not "premature," to be left to "later," that is, after political independence has been achieved. The political, economic and social change must be achieved as one movement. In this emphasis the book India Today is original and thought-provoking.

D. R.

In the United States Court for China

In the Matter of the Application of ALBIN MARVIN HAUGEN, for the custody of Mary Ann Haugen and William Andrew Haugen, the infant children of petitioner and Mary Alton Haugen, his wife.

Cause No. 4504

Civil No. 2383

ORDER

Filed at Shanghai, China, the 13th day of November, 1940.

WILLIAM T. COLLINS
Clerk

ORDER

The object of this suit is to obtain the custody of petitioner's two infant children.

WHEREAS the petitioner herein, by his attorney, has this 13th day of November, 1940, made application for the substitution of publication for personal service of summons on Mary Alton Haugen, the mother of the two infant children whose custody is sought by petitioner in this proceeding; and

WHEREAS it appears from the files of this cause that on the 13th day of November, 1940, the summons for the said Mary Alton Haugen was returned by the Marshal of the United States Court for China with the following noted thereon: "Mary Alton Haugen is not to be found within the jurisdiction of this Honorable Court."; and

WHEREAS it appears from the files of this cause that on the 13th day of November, 1940, P. F. Faison, the attorney of petitioner herein, filed an affidavit to the effect that the said Mary Alton Haugen was not residing in the Republic of China nor had she been within the jurisdiction of this Court during the last six months previous to the 13th day of November, 1940;

NOW THEREFORE, it is this 13th day of November, 1940, ORDERED that service upon the said Mary Alton Haugen be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach said Mary Alton Haugen.

IT IS FURTHER ORDERED that the said Mary Alton Haugen cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 30th day of November, 1940, the day of the last publication of this Order; otherwise the cause will be proceeded with as in case of default.

BY THE COURT:

MILTON J. HELMICK,
Judge,
United States Court for China.

JAPAN'S WAR IN CHINA

When the Sino-Japanese hostilities broke at Peiping on July 7, 1937 and at Shanghai on August 13 of the same year, THE CHINA WEEKLY REVIEW immediately began compiling a day-to-day record of out-standing developments in the struggle including the diplomatic side as well as the military. These handy little volumes, each covering a period of six months, have now reached five.

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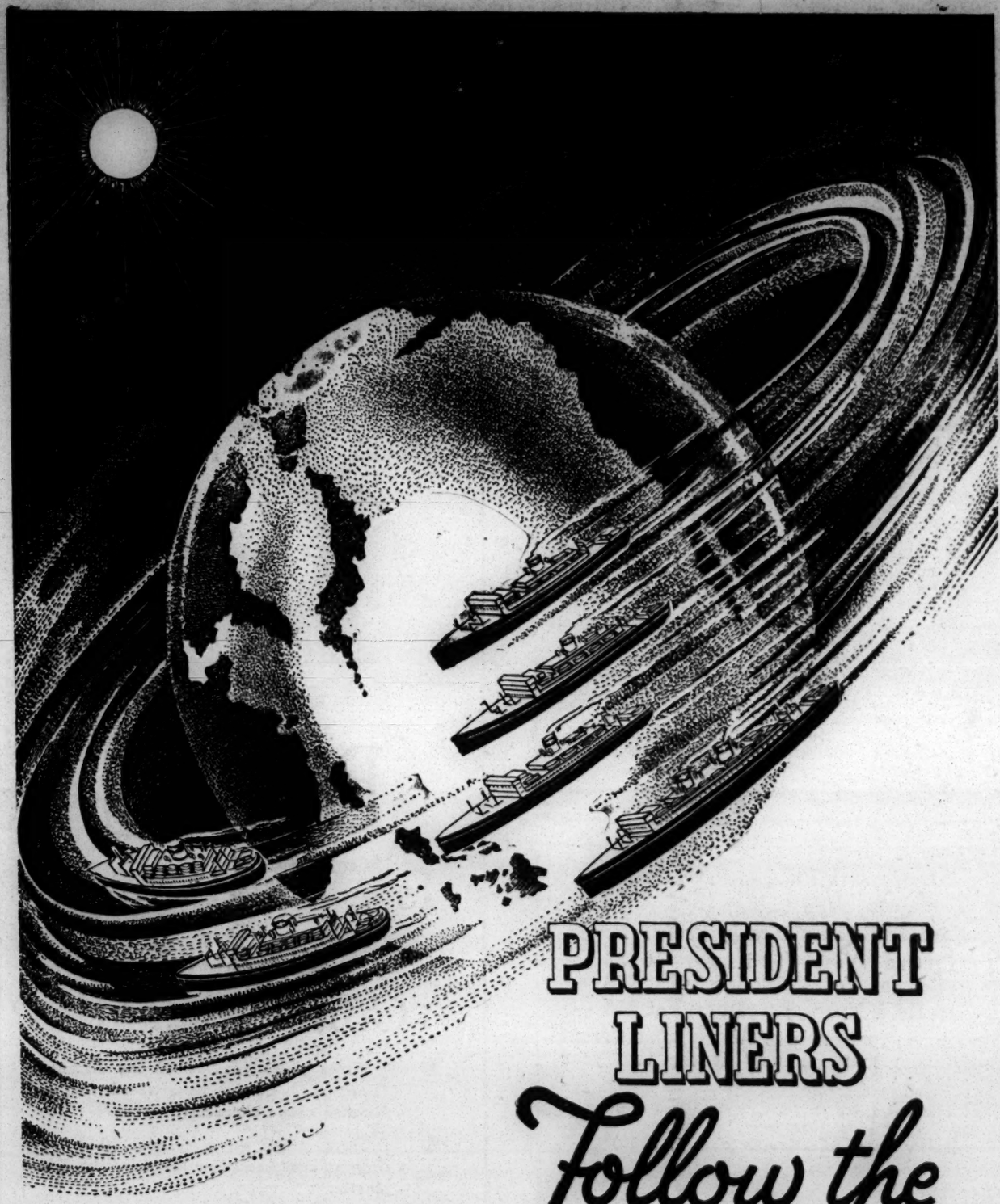

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